

Eco-Efficiency Financing Resource Directory
A Guide for Small- and Medium-Sized Businesses
in New England

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The EPA Project Manager was Linda Darveau.

DISCLAIMER

Program descriptions have been reviewed and approved by a representative from each listed organization, and were current as of the time of publication. However, some programs are likely to change and may not be consistent with the listing in the Directory, for instance due to restructuring and changing circumstances in the utility industry.

While extensive effort was devoted to developing comprehensive coverage for the Region, some organizations offering relevant resources did not respond to our attempts to schedule telephone interviews, or may not have been contacted. Therefore, we encourage firms seeking financing for eco-efficiency projects to use the Resource Directory as one among several sources of information they utilize in developing plans for project financing.

The *E2 Resource Directory* was developed by Tellus Institute with primary funding from U.S. EPA Region 1. Other funding was received from the Department of Energy, Region 1. Mention of any company or product name should not be considered an endorsement by U.S. EPA, Tellus Institute, or the U.S. Department of Energy.

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SECTION 1. INTRODUCTION

The U.S. EPA and many state environmental and energy agencies have been encouraging firms to adopt eco-efficiency (E2) practices – technologies and techniques which are less polluting and resource-intensive -- by disseminating information and providing technical assistance to firms seeking to implement these technologies. E2 projects include pollution prevention, pollution control, energy efficiency, water conservation, and waste management/recycling. While the efforts to provide technical assistance and information have enabled many firms to adopt E2 practices, financing often remains a hurdle to the implementation of projects, especially for small and medium size firms. The reasons are several: companies are unfamiliar with public or private lending programs; familiarity with such programs exists, but the know-how to access such funds is missing; lenders are unaccustomed to E2 loans relative to more conventional hardware purchases; and firms seeking E2 financing fail to accurately characterize the profitability of E2 projects in preparing loan applications.

For all these reasons, worthy E2 investments may be left in need of capital resources. The *E2 Financing Resource Directory* addresses information barriers to financing of E2 projects by providing a description of public and private E2 financing resources. These include organizations offering loans, grants, financing enhancements, performance contracting, equipment leasing, and rebate programs. A brief synopsis of each of these services, and the types of organizations offering them, is listed below.

Loans Loans are offered by 12 organizations listed in the Directory. Both federal and state agencies offer loans, as do private lending institutions.

Grants Grants are offered by 5 organizations listed in the Directory. Federal and state agencies, and one utility company offer grants.

Financing Enhancements can be used to help projects qualify for financing. They can be included in the initial development of a financing plan, or after a project has fallen short in an initial project finance analysis. There are several basic methods used for enhancement, such as tax credits, tax abatements, interest rate subsidies, and loan guarantees. Financing enhancements are offered by 7 organizations listed in the Directory. Federal and state agencies, utility companies, and private lending institutions all offer different forms of financing enhancements.

Performance Contracting includes a range of financing arrangements whereby the cost of implementing efficiency measure(s) is recovered by the savings created by the measure(s). Performance contracting has most commonly been applied to energy efficiency projects, although there is growing interest in applying the same concepts to other resource

efficiency investments and procurement. Monitoring and verification of an installed measure's performance are critical to all types of performance contracts. One common form of performance contract, Guaranteed Savings, is arranged so that a firm has a direct financial obligation to the financier, and the contract provider guarantees a level of savings estimated to be adequate to cover the firm's financial obligation.

In other forms of performance contracting, such as Shared Savings and Pay from Savings, the performance contractor provides financing to the firm. The latter arrangements provide the firm with more comprehensive services, and therefore are generally more costly to provide. Performance contracting is offered by 5 organizations listed in the Directory, all of which are energy service companies.

Equipment Leasing Equipment leasing is offered by 5 organizations listed in the Directory. These organizations are state agencies, utility companies, and energy service companies.

Rebates/Incentives Rebates or incentives are offered by over one-third (12) of the organizations listed in the Directory. One state agency offers rebates. The other organizations are utilities.

The information on each resource listed in the Directory includes past and current financing for E2 projects, eligibility requirements, application procedures, and typical financing parameters. Information on how to follow-up with each listed organization is also provided. Although the focus of the Resource Directory is to provide information to firms seeking to develop and implement internal eco-efficiency projects, some of the resources listed may also be accessed by companies currently or potentially engaged in production of eco-efficient technologies. An electronic world-wide-web version of the Resource Directory, which includes custom search features and electronic links to many of the listed organizations is accessible through the EPA Region 1 home page (<http://www.epa.gov/region1>). The electronic version of the Resource Directory will contain periodic updates to the resource listings.

Guidebook Development & Format

Data collection for the Directory consisted of telephone interviews with appropriate personnel and review of written and electronic materials. A draft of the Directory listing was sent to each organization for review and verification. When necessary, follow-up telephone calls for further data collection and/or clarification were made. An Advisory Group comprising members of state environmental agencies, trade associations, private banks, and small business technical assistance programs provided inputs and feedback on Directory content and objectives, organizations to contact, and formatting for the electronic and printed versions of the Directory.

The Directory is organized in a user-friendly format to assist small and medium-sized businesses attempting to secure financing for eco-efficiency projects. Following this Introduction, Section 2 presents summary tables covering all the financing resources listed in the Directory. Detailed narrative descriptions of each financing resource, categorized by specific source-- federal, state, utility, energy service company, and private lending institution-- are presented in Section 3. Regional programs (those that apply to more than one state) are listed first for each source type. Following the regional programs are the programs for individual states.

Section 4 presents additional information on seeking private loans and leases financing. This includes a brief discussion of standard project financial data requirements and on how to use integrated financial statements and business plans to best present a company's project financing needs to a potential financier. Finally, two appendices are included: A) Describes how to access the Resource Directory on the world wide web, and B) A glossary of key financial terms.

SECTION 2. SUMMARY TABLES OF ECO-EFFICIENCY FINANCING RESOURCES

The tables in Section 2 summarize the 33 financing resources listed in the Resource Directory. Each organization offers one or more financing services that can be used to finance eco-efficiency type projects. The tables are organized according to organization type as follows:

- Federal Agencies
- State Agencies
- Utilities
- Energy Service Companies
- Private Lending Institutions

The variety of financing mechanisms listed includes loans, grants, performance contracting, and others. Depending upon their specific financing needs, small businesses can use the information provided in the Directory to identify and pursue those sources most appropriate for their particular circumstances. The summary tables are followed, in Section 3, by more detailed descriptions of each resource.

Summary Table 1
Federal Agencies

Organization	Financing Resources	Project Types*	Eligibility		Applicant Contribution Requirement	Amounts			Notes and Special Application Requirements	Further Information
			Applicant	Project		Min	Avg	Max		
U.S. Department of Energy (DOE).	Grants- NICE ³ .	PP, EE, WC, WM.	Partnerships of industry and state agencies.	Demonstration project that reduces energy use and process waste, while it improves process economics.	55% of project cost must come from a combination of state and industry dollars.	None given.	\$300,000-400,000.	\$425,000.	Funding is for up to 3 years. Funding after first year is dependent on first year results and meeting project milestones.	Contact Sam Thomas, US DOE, 617-565-9732. See page 26.
U.S. Small Business Administration (SBA).	Financing Enhancements- 7(a) Loan Guarantee Program (Pollution Control Loans).	PC, PP WM.	Small businesses as defined by the US SBA. See program description for details.	Planning, design, or installation of a pollution control facility.	Variable fee, starting at 0.25% of guarantee.	None given.	None given.	\$1 million.	Loans are targeted at businesses that have been unable to secure conventional financing. Banks must follow SBA interest rate policy guidelines.	Contact your participating local bank. See page 31.
	Financing Enhancements- 7(a) Loan Guarantee Program.	PC, PP, EE, WC, WM.	Small businesses as defined by the US SBA.	Real estate, expansion, equipment purchases, working capital, or inventory.	Variable fee, starting at 0.25% of guarantee.	None given.	None given.	80% up to \$100,000 or 75% up to \$1 million or \$750,000 for loans over \$1 million.	Loans are targeted at businesses that have been unable to secure conventional financing. Banks must follow SBA interest rate policy guidelines.	Contact your participating local bank. See page 33.
	Financing Enhancements- Certified Development Company Program.	PC, PP, EE, WC, WM.	Small businesses as defined by the US SBA.	Long-term, fixed-asset financing.	3% of SBA debenture.	None given.	None given.	\$1 million.	>10% of funds from borrower; 50% from private lender; 40% guaranteed by SBA and offered through CDC.	Contact your local CDC. See page 35.

U.S. SBA Cont.	Loans- 7(m) Micro Loan Program.	PC, PP, EE, WC, WM.		Any use but debt repayment.	None given.	None given.	\$10,000.	\$25,000.	Loans are targeted at businesses that have been unable to secure conventional financing. Intermediary lenders must follow SBA interest rate policy guidelines.	Contact your local non-profit lending organization. See page 37.
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* PP= Pollution Prevention, PC= Pollution Control, EE= Energy Efficiency, WC= Water Conservation, WM= Waste Management/ Recycling

Summary Table 2
State Agencies- Connecticut

Organization	Financing Resources	Project Types*	Eligibility		Applicant Contribution Requirement	Amounts			Notes and Special Application Requirements	Further Information
			Applicant	Project		Min	Avg	Max		
Connecticut Development Authority (CDA).	Loans- Environmental Assistance Revolving Loan Fund.	PC, PP.	CT small businesses (<150 employees or <25 million in sales).	Project that reduces use of hazardous and toxic substances in the manufacturing process.	\$250 application fee. Commitment fee 0.5% for loans over \$50,000.	\$25,000.	None given.	\$500,000.	Extensive information about firm history, historical financial information, and a project description is required.	Contact Stephen Benedetto, CDA, 860-258-7838. See page 39.
	Financing Enhancements (Loan Guarantees)- Environmental Assistance Revolving Loan Fund.	PC, PP.	CT manufacturing firms and non-profits.	Project must reduce quantity or toxicity of hazardous waste or other pollution generated in CT.	\$250 Application fee. Commitment fee of 0.5% for loan guarantees over \$50,000.	\$50,000.	\$200,000.	\$10,000,000.		

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Summary Table 3
State Agencies- Maine

Organization	Financing Resources	Project Types*	Eligibility		Applicant Contribution Requirement	Amounts			Notes and Special Application Requirements	Further Information
			Applicant	Project		Min	Avg	Max		
Finance Authority of Maine (FAME).	Loans- Waste Reduction and Recycling Loan Fund.	PC, PP, EE, WM.	Maine Business.	Project must involve recycling (broadly defined to include source reduction and some methods of pollution control).	2% closing fee.	None given.	\$75,000.	\$100,000.	A description of how the project fits into the Maine recycling plan is required.	Contact David Markovchick, FAME, 207-623-3263. See page 43.
	Financing Enhancements- Small Business Loan Guarantee.	PC, PP, EE, WC, WM.	Maine small businesses (<\$5 million in annual sales or <50 employees).	Any legitimate commercial purpose.	1% annual insurance fee on outstanding balance.	None given.	\$166,000.	\$1 million.	Loan guarantees support small business growth and development, focusing on job creation, job retention, and expansion of Maine's tax base.	Contact your local participating bank. See page 45.

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Summary Table 4
State Agencies- Massachusetts

Organization	Financing Resources	Project Types*	Eligibility		Applicant Contribution Requirement	Amounts			Notes and Special Application Requirements	Further Information
			Applicant	Project		Min	Avg	Max		
Massachusetts Toxics Use Reduction Institute (TURI).	Grants.	PP.	Any MA industrial or commercial facility which uses toxic chemicals.	Technology demos or feasibility studies, i.e., methods, materials, & processes achieving TUR.	100% match.	\$4,000.	\$12,000.	\$25,000.	Of particular interest are projects which focus on production processes and materials, i.e., those which reduce or eliminate the up-front use of a listed toxic chemical.	Contact Elizabeth Harriman, TURI, 508-934-3275. See page 47.
MassDevelopment.	Loans- Emerging Technology Fund.	PC, PP, EE, WC, WM.	MA technology-based companies.	Fixed assets (but not real estate) to help businesses expand and create jobs.	Application fee of 0.5% of total loan request. 1.5% issuance fee.	None given.	\$500,000.	\$2.5 million (facilities) \$500,000 (equipment).	Primary emphasis in high-growth industries.	Contact Liz Carney, MassDevelopment, 617-451-2477. See page 50.
	Financing Enhancements (Loan Guarantees)- Emerging Technology Fund.	PC, PP, EE, WC, WM.	MA technology-based companies.	Tenant build-out, construction or expansion of facilities, purchasing new equipment.	Application fee of 0.5% of total guarantee amount request. 0.5% issuance fee. Annual fees of 3-5% of outstanding guarantee balance.	None given.	\$200,000.	\$1.5 million.	Primary emphasis in high-growth industries.	Contact Liz Carney, MassDevelopment, 617-451-2477. See page 52.
	Equipment Leasing.	PC, PP, EE, WC, WM.	Manufacturing firms, environmental enterprises, or non-profits.	Provides financing for leasing new equipment integral to manufacturing process.	Application fee \$500 or \$1,000. Closing costs 0.5% or 1%.	\$300,000.	\$1 million.	\$10 million.	MassDevelopment serves as lessee, private company as sublessee, allowing for tax-exempt status of project.	Contact Liz Carney, MassDevelopment, 617-451-2477. See page 54.

MassDevelopment Cont.	Bond Financing.	PC, PP, EE, WC, WM.	Manufacturing firms or environmental enterprises.	Bonds can be used to purchase land, buildings, or equipment; to construct or renovate buildings; and in some cases, to refinance existing debt.	\$1,000 application fee. 1% or 0.5% issuance fee.	\$1.2 million (real estate, equip.) or \$300,000 (equip. only).	\$37 million.	\$10 million (manufact.) or no maximum (environ. entities).	Up to 2% of the bond proceeds may be used to pay issuance costs.	Contact Liz Carney, MassDevelopment, 617-451-2477. See page 56.
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* PP= Pollution Prevention, PC= Pollution Control, EE= Energy Efficiency, WC= Water Conservation, WM= Waste Management/ Recycling

Summary Table 5
State Agencies- New Hampshire

Organization	Financing Resources	Project Types*	Eligibility		Applicant Contribution Requirement	Amounts			Notes and Special Application Requirements	Further Information
			Applicant	Project		Min	Avg	Max		
New Hampshire Business Finance Authority (BFA).	Financing Enhancements-Capital Access Program.	PC, PP, EE, WC, WM.	NH businesses with annual revenues <\$5 million.	Typically any use directly related to business except debt repayment.	2.25% or 3% of total loan.	None given.	None given.	\$250,000.	A business applies for the loan through its local bank. Program establishes a fund which can reimburse banks for losses.	Contact your participating local bank or Frank Lass, BFA, 603-271-2391. See page 60.
	Financing Enhancements (Loan Guarantees)-Guarantee Asset Program.	PC, PP, EE, WC, WM.	NH businesses with at least 25 full-time employees.	Typically any use directly related to business except debt repayment.	Application fee \$250-1,000. Closing costs of 1% of the loan guarantee. Annual fees up to 2% of loan guarantee.	None given.	None given.	None given.	Created to make credit available to non-traditional, capital intensive companies. A business applies for the loan through its local bank.	Contact your participating local bank, or Frank Lass, BFA, 603-271-2391. See page 62.

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Summary Table 6
State Agencies- Rhode Island

Organization	Financing Resources	Project Types*	Eligibility		Applicant Contribution Requirement	Amounts			Notes and Special Application Requirements	Further Information
			Applicant	Project		Min	Avg	Max		
RI Department of Environmental Management (DEM).	Grants- RI Clean Water Act Environmental Trust Fund.	PC, PP, WC, WM.	RI businesses and non-profit organizations.	Projects that reduce water pollution or water use.	Grants cover up to 50% of project costs.	\$2,500.	\$20,000.	\$75,000.	Pre- and post-project construction inspections required by DEM. DEM reimburses business upon project completion. No grants are expected to be awarded under this program for several years.	Contact Ray Pena, DEM, Division of Water Resources, 401-277-3961. See page 64.
	Grants- Pollution Prevention Grants Program.	PP								
RI Economic Development Corporation (RIEDC).	Loans- Small Business Loan Fund.	PC, PP, EE, WC, WM.	For-profit firms in industrial or manufacturing industries, qualified as a small business by U.S. SBA guidelines.	Projects which create or retain jobs in RI.	\$100 application fee. 1% closing fee.	\$10,000 (working capital), \$25,000 (fixed assets).	\$65,000.	\$30,000 (working capital), \$150,000 (fixed assets).	Information required includes a list of other sources of potential funding, environmental problems with the project site, and type of employment generated by the project.	Contact John Sheehan, RIEDC, 401-277-2601. See page 67.

* PP= Pollution Prevention, PC= Pollution Control, EE= Energy Efficiency, WC= Water Conservation, WM= Waste Management/ Recycling

Summary Table 7
State Agencies- Vermont

Organization	Financing Resources	Project Types*	Eligibility		Applicant Contribution Requirement	Amounts			Notes and Special Application Requirements	Further Information
			Applicant	Project		Min	Avg	Max		
Lake Champlain Basin Program (LCBP).	Grants-Matching Grants Program for Pollution Prevention.	PC, PP, WM.	Organizations, institutions, governmental agencies, businesses, vendors, or consultants located in the Basin.	Pollution prevention projects that result in significant at-the-source reduction in pollution generation.	A matching contribution of 25% of the total project cost is required and may be either funds or in-kind services.	None given.	\$10,000-20,000.	Dependent on size of budget.	Transferability, creativity, and education potential important. Must be applicable to LC Basin.	Contact Erik Perkins, LCBP, 800-468-5227, or 802-372-3213. See page 69.
VT Economic Development Association (VEDA).	Loans- Direct Loan Program.	PC, PP, EE, WC, WM.	Industrial, commercial, and agricultural enterprises, excluding housing and retail sale of out-of-state goods.	Projects which create jobs and stimulate economic activity in Vermont.	Application fee of \$250. Closing fee of 2% of the value of the loan.	No minimum.	None given.	\$300,000 (machinery and equipment), \$500,000 (real estate).	Loans cannot be provided for working capital; they are primarily intended for fixed assets.	Contact Jo Bradley, VEDA, 802-828-5627. See page 72.

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Summary Table 8
Utilities- Regional

Organization	Financing Resources	Project Types*	Eligibility		Applicant Contribution Requirement	Amounts			Notes and Special Application Requirements	Further Information
			Applicant	Project		Min	Avg	Max		
Bay State Gas Company.	Financing Enhancements and Incentives.	EE.	Commercial and industrial customers.	Cost-effective, energy efficient projects.		No minimum.	\$30,000.	\$100,000.	Bay State buys down interest rates to the prime rate. Massachusetts customers can also receive rebates. Energy audit by Bay State required.	Contact Paul Smith, Bay State, 508-836-7388. See page 75.
Eastern Utilities Associates (EUA).	Rebates/ Incentives- Commercial & Industrial Retrofit Program (Small & Medium Sized Firms).	EE.	Customers of EUA subsidiaries- Blackstone Valley Electric, Eastern Edison, and Newport Electric- that demand <500 kW a year.	Energy efficient electrically powered technologies.		No minimum.	None given.	\$60,000.	Financing is available for remaining portion of costs.	RI customers contact Tim Lee, EUA, 508-559-2000. MA customers contact Ernie Robinson, EUA, 508-559-2000. See page 78.
	Rebates/ Incentives- Commercial & Industrial Retrofit Program (Large Firms).	EE.	Customers of EUA subsidiaries- Blackstone Valley Electric, Eastern Edison, and Newport Electric- that demand 500 kW or more a year.	Energy efficient electrically powered technologies.	Business needs to provide 50% of the equipment costs.	No minimum.	None given.	\$100,000.	Post-installation inspection by EUA required.	RI customers contact Tim Lee, EUA, 508-559-2000. MA customers contact Ernie Robinson, EUA, 508-559-2000. See page 79.
EUA Cont.	Rebates/ Incentives-	EE.	EUA subsidiaries-	New construction	Customer pays the standard	No minimum.	None given.	No maximum.	Provides an incentive for businesses to invest	RI customers contact Tim Lee, EUA,

	Commercial & Industrial Construction Program.		Blackstone Valley Electric, Eastern Edison, and Newport Electric.	projects that incorporate energy efficient, electrically powered technologies.	equipment cost.				in high efficiency equipment instead of standard equipment. EUA pays for 100% of incremental costs.	508-559-2000. MA customers contact Ernie Robinson, EUA, 508-559-2000. See page 80.
New England Electric System (NEES).	Rebates/ Incentives- Small Commercial & Industrial Program.	EE.	Firms in NEES's service territory with an average monthly demand <100 kW.	Various energy efficient measures.	Customer pays 0-20% of total equipment & labor costs, depending on state of residence.	None given.	None given.	None given.	Customer co-pay can be financed for up to 2 years.	Contact NEES, 800-332-3333. See page 83.
	Equipment Leasing.	EE.	MA Electric Company and Narragansett Electric Company large business customers (average monthly demand >100 kW).	Any energy efficient project.	\$1.00 end of lease purchase option.	\$5,000.	None given.	\$4 million.	Payments can be made with the savings that are realized through the reduction in energy consumption.	Contact NEES, 800-332-3333 or your account representative. See page 85.
Northeast Utilities Service Company (NU).	Equipment Leasing.	EE.	Commercial, industrial, governmental, and municipal customers of CL&P.	Any energy efficient measure.		\$10,000.	\$50,000.	No maximum.	Northeast Utilities arranges financing with a third-party lender. Financing requirements are structured so as to match customers cash flow needs.	Contact Northeast Utilities, 800-286-5000. See page 87.
	Rebates/ Incentives.	EE.	All commercial and industrial customers.	Various energy efficient measures.	Customer pays the standard equipment cost.	No minimum.	\$10,000-20,000.	No maximum.	NU pays 100% of incremental costs of high efficiency equipment as opposed to standard equipment.	Contact Michael Townsley, NU, 800-286-5000, or 860-665-2338. See page 89.

* PP= Pollution Prevention, PC= Pollution Control, EE= Energy Efficiency, WC= Water Conservation, WM= Waste Management/ Recycling

Summary Table 9

Utilities- Connecticut

Applicant

Notes and Special

Organization	Financing Resources	Project Types*	Eligibility		Contribution Requirement	Amounts			Application Requirements	Further Information
			Applicant	Project		Min	Avg	Max		
United Illuminating Company (UI).	Rebates/ Incentives- Small Business Advantage Program.	EE.	UI customers with an annual average peak demand <50 kW, and who are not a governmental agency or part of a national chain.	All energy efficient measures.	Processing fee of 12% of total project costs for projects financed over 1 year.	\$5/ measure.	\$600-700/ project.	\$30/ measure.	100% of remaining project costs after incentive can be financed interest free.	Contact Roy Haller, UI, 203-499-2025. See page 91.

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Summary Table 10
Utilities- Maine

Organization	Financing Resources	Project Types*	Eligibility		Applicant Contribution Requirement	Amounts			Notes and Special Application Requirements	Further Information
			Applicant	Project		Min	Avg	Max		
Bangor Hydro-Electric Company (BHE).	Rebates/ Incentives- Commercial Lighting Incentive Program (CLIP).	EE.	BHE customer with rate class B-1, D-1, D-2, D-3, or D-4, and own or be a tenant in a commercial or industrial building used for business, governmental, or non-profit activity.	Various energy efficient lighting projects.		\$50.	\$2,100.	\$10,000.	CLIP participants are expected to cooperate with data collection relating to marketing research and program evaluation.	Contact Mark Colca, BHE, 207-973-2671. See page 94.
	Rebates/ Incentives- Private Energy Service Company Efficient Lighting Project Program (PESCO).	EE.	Non-residential customers who are being served on a standard rate schedule.	Various energy efficient lighting systems.	Customer is responsible for paying 28% of the cost of the project.	No minimum.	\$6,000-8,000/ project.	None given.	All installations are performed through a third-party contractor- Noresco. BHE pays Noresco, who in turn offers a lower charge to the customer.	Contact Noresco directly, or contact Mark Colca, BHE, 207-973-2671. See page 96.

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Summary Table 11
Utilities- Massachusetts

Organization	Financing Resources	Project Types*	Eligibility		Applicant Contribution Requirement	Amounts			Notes and Special Application Requirements	Further Information
			Applicant	Project		Min	Avg	Max		
Berkshire Gas Company.	Grants.	EE.	Commercial and industrial customers who have been served by Berkshire Gas for at least one year.	Various energy efficient measures.	Customers responsible for 50% of costs of installed measures.	No minimum.	\$5,000-6,000 (small & medium customers).	\$15,000 (small & medium customers). \$30,000-50,000 (large customers).	Designed to cost less than the price of gas customers would have used without conservation.	Contact Berkshire Gas, 800-292-5019, or engineering contractor, ARIS, 800-720-2747, and ask for Berkshire Gas Comm. Prog. See page 99.
Boston Edison Company (BECo).	Rebates/ Incentives- Large C&I Retrofit Program.	EE.	Customers with an avg monthly demand greater than 150 kW & who operate more than 12 hrs/day.	Various energy efficient measures.	Customer responsible for 70% of project costs.	None given.	None given.	None given.	Facility audit and two years of measurement and verification performed by BECo.	Contact Pilar Keyes, BECo, 617-424-3623. See page 103.
	Rebates/ Incentives- C&I Lost Opportunity Program.	EE.	Customers who anticipate a new construction, major renovation, or equipment replacement project.	Various energy efficient measures.	Customers responsible for all but 50% of incremental costs for HVAC and misc. measures.	\$5/fixture (lighting), \$65 (motors).	None given.	\$25/ fixture (lighting), \$275 (motors).	Rebates are awarded on a first-come, first-serve basis.	Contact Pilar Keyes, BECo, 617-424-3623. See page 104.
	Rebates/ Incentives- Small C&I Retrofit Program.	EE.	Customers with an average monthly demand of 150 kW or less.	High efficiency lighting measures.	Customers responsible for at least 50% of total project costs.	None given.	None given.	None given.	BECo contributes up to 50% of total project costs. Honeywell DMC performs audit and installations.	Contact Honeywell DMC, or Pilar Keyes, BECo, 617-424-3623. See page 105.
Boston Gas Company.	Rebates/ Incentives- High Eff. Heating Rebate Prog.	EE.	Commercial and industrial customers.	High efficiency condensing boilers or furnaces.					Details not set at time of publication. Call for more information.	Contact Boston Gas Company, 800-843-3636. See page 106.
Colonial Gas Company.	Rebates/ Incentives.	EE.	All commercial customers.	Heating system efficiency upgrades.					Details not set at time of publication. Call for more information.	Contact Cust. Serv. Dept., Col. Gas, 800-548-8000. See page 108.

* PP= Pollution Prevention, PC= Pollution Control, EE= Energy Efficiency, WC= Water Conservation, WM= Waste Management/ Recycling

Summary Table 12
Utilities- New Hampshire

Organization	Financing Resources	Project Types*	Eligibility		Applicant Contribution Requirement	Amounts			Notes and Special Application Requirements	Further Information
			Applicant	Project		Min	Avg	Max		
Public Service New Hampshire (PSNH).	Rebates/ Incentives.	EE.	Business customers with an annual peak electric demand less than 250 kW.	Various energy efficiency measures.					Details not set at time of publication. Call for more information.	Contact Customer Service Department, PSNH, 800-662-7764. See page 110.

* PP= Pollution Prevention, PC= Pollution Control, EE= Energy Efficiency, WC= Water Conservation, WM= Waste Management/ Recycling

Summary Table 13
Utilities- Vermont

Organization	Financing Resources	Project Types*	Eligibility		Applicant Contribution Requirement	Amounts			Notes and Special Application Requirements	Further Information
			Applicant	Project		Min	Avg	Max		
Central Vermont Public Service Corporation (CVPS).	Rebates/ Incentives.	EE.	Commercial, industrial, and agricultural customers.	Various energy efficient equipment.					Contact CVPS for details about rebates.	Contact Lynn Mack, CVPS, 800-649-2877. See page 112.

* PP= Pollution Prevention, PC= Pollution Control, EE= Energy Efficiency, WC= Water Conservation, WM= Waste Management/ Recycling

Summary Table 14
Energy Service Companies- Regional

Organization	Financing Resources	Project Types*	Eligibility		Applicant Contribution Requirement	Amounts			Notes and Special Application Requirements	Further Information
			Applicant	Project		Min	Avg	Max		
Bluestone Energy Services, Inc.	Performance Contracting.	PC, PP, EE, WC, WM.	All New England firms.	Any business improvement project. Focus on energy conservation.		\$25,000.	\$300,000.	None given.	Bluestone arranges financing with a third-party lender. Guaranteed savings service is available.	Contact Bluestone at 781-356-8865. See page 114.
CES/Way International.	Performance Contracting.	PC, PP, EE, WC, WM.	New England businesses (profit and non-profit) with annual energy bills >\$0.5 million.	Any business improvement project. Focus on energy retrofits and water conservation.	Audit cost of \$0.10 / ft ² (except when no feasible project is found).	\$500,000.	\$1-20 million.	None given.	Shared savings and guaranteed savings agreements available. Non-profit/public sector org. can finance projects as tax-exempt.	Contact Regional CES/Way office, 888-584-9439, or 617-577-7444. See page 117.
Coneco Corporation.	Performance Contracting.	EE, WC.	All New England firms.	Energy efficiency and water conservation.		None given.	\$2 million.	None given.	Prefer projects over \$100,000. Maintenance of installed equipment required.	Contact Regional Coneco office, 800-738-6010 or 617-737-6010. See page 120.
The Energy Efficiency Group.	Equipment Leasing.	EE.	All New England firms.	Electrical energy conservation work.		\$5,000.	None given.	None given.	Monthly payments to third-party leasing org. lower than projected savings.	Contact The Energy Efficiency Group, 978-922-0578. See page 123.
ERI Services.	Performance Contracting.	EE, WC.	All New England firms.	Energy efficiency and water conservation.		\$200,000.	\$1-2 million.	None given.	Customer pays ERI directly. A certain level of savings are guaranteed.	Contact ERI , 215-887-7100. See page 125.
HEC Inc.	Performance Contracting.	EE, WC, WM.	All New England businesses.	Energy efficiency and water conservation.	Variable, optional maintenance fee.	None given.	\$1-3 million.	None given.	Financing is arranged with a third-part lender. Audit by HEC required.	Contact HEC, 800-325-4432. See page 127.
Honeywell DMC Services Inc.	Equipment Leasing.	EE, WC.	All New England firms.	Energy efficiency and water conservation.		None given.	\$40,000-50,000.	None given.	Honeywell arranges financing with a third-party lender.	Contact Patrick Haswell, Honeywell DMC, 781-933-9558. See page 129.

* PP= Pollution Prevention, PC= Pollution Control, EE= Energy Efficiency, WC= Water Conservation, WM= Waste Management/ Recycling

Summary Table 15

Private Lending Institutions- Regional

Organization	Financing Resources	Project Types*	Eligibility		Applicant Contribution Requirement	Amounts			Notes and Special Application Requirements	Further Information
			Applicant	Project		Min	Avg	Max		
Vermont National Bank (VNB) / First Savings of New Hampshire (FSNH).	Loans- Socially Responsible Banking Fund.	PC, PP, EE, WC, WM.	Businesses in VT, Southeastern NH, neighboring areas of ME, MA, NH, and NY.	Environment and conservation, education, sustainable agricultural, small business, and affordable housing projects.	\$100 documentation fee. Variable closing costs.	\$1,000.	\$80,000.	\$8,000,000.	Loan cannot exceed 95% of the collateral or project cost. Real estate loans may have balloon payment.	Contact Arne Hammarlund, VNB/FSNH, 802-258-4090, or Kristy Wildes, VNB, 802-863-8900, or Bruce Lundgren, FSNH, 603-778-7131. See page 131.

* PP= Pollution Prevention, PC= Pollution Control, EE= Energy Efficiency, WC= Water Conservation, WM= Waste Management/ Recycling

Summary Table 16

Private Lending Institutions- Massachusetts

Organization	Financing Resources	Project Types*	Eligibility		Applicant Contribution Requirement	Amounts			Notes and Special Application Requirements	Further Information
			Applicant	Project		Min	Avg	Max		
MassBusiness.	Direct Loans.	PC, PP, EE, WC, WM.	Any organization that qualifies for a loan under the due diligence process.	Working capital, machinery and equipment, and real estate.	Application fee of 1% of loan value.	\$250,000.	\$500,000.	\$1 million.	Provides loans in situations in which traditional bank loans may be unavailable, inappropriate, or insufficient.	Contact Peter Hollingworth, MassBusiness, 617-350-8877. See page 134.
	SBA 504 Loans.	PC, PP, EE, WC, WM.	For-profit businesses in MA with net worth <\$6 million and with average annual net profit <\$2 million.	Land and building purchases, new construction or renovation, and machinery and equipment purchases.	Borrower must provide an equity stake of at least 10%.	\$250,000.	None given.	\$1.2 million.	Stimulates and develops small businesses in MA.	Contact Peter Hollingworth, MassBusiness, 617-350-8877. See page 136.
	Financing Enhancements(Loan Guarantees)- Capital Access Program.	PC, PP, EE, WC, WM.	For-profit organizations in MA with less than \$5 million in annual revenues.	Any business purpose except passive real estate investments.	Insurance fee of 1.5-3.5% of the value of the loan. Bank pays a matching fee, but may pass costs on to borrower.	None given.	None given.	\$500,000.	Designed to assist small businesses in gaining access to financing.	Contact local participating bank. See page 138.

* PP= Pollution Prevention, PC= Pollution Control, EE= Energy Efficiency, WC= Water Conservation, WM= Waste Management/ Recycling

Summary Table 17
Private Lending Institutions- Vermont

Organization	Financing Resources	Project Types*	Eligibility		Applicant Contribution Requirement	Amounts			Notes and Special Application Requirements	Further Information
			Applicant	Project		Min	Avg	Max		
Merchants Bank.	Loans.	PC, PP, EE, WC, WM.	All VT businesses.	All business uses except site remediation and other projects that might expose the bank to Superfund liability.	Variable closing costs.	\$25,000.	\$100,000.	\$5 million.	Fees are sometimes applied to complicated projects, such as construction projects. Loan guidelines vary with the type of loan, how the funds will be used, and the business relationship between Merchants Bank and the borrower.	Contact any Commercial Loan Officer at Merchants Bank, 800-322-5222. See page 140.

* PP= Pollution Prevention, PC= Pollution Control, EE= Energy Efficiency, WC= Water Conservation, WM= Waste Management/ Recycling

SECTION 3. FINANCING RESOURCES FOR ECO-EFFICIENCY PROJECTS

The following descriptions supplement the basic program information found in the Summary Tables. The descriptions should help you focus on the most promising opportunities. This section begins with a listing of federal programs, followed by state sponsored programs, utility sponsored programs, energy service companies, and finally private lending institutions. Where appropriate the selections under each heading are classified according to availability by state. The descriptions listed for each resource are only a starting point. Contacts are provided so you can get further information directly from potential funders. We urge businesses to contact appropriate financing resources directly to discuss their needs, and to obtain the most current information on funding parameters and application procedures. The electronic version (accessible via <http://www.epa.gov/region1>) will also provide periodic updates to the information contained in the Resource Directory.



Federal Agencies
U.S. Department of Energy - Office of Industrial Technologies

Contact Person: Sam Thomas
Program Manager

Phone: (617) 565-9732
Fax: (617) 565-9723

Boston Regional Support Office:
1 Congress St.
Boston, MA 02114

Web Site:
<http://www.oit.doe.gov/Access/nice3>

Organization Description:

The Department of Energy's Office of Industrial Technologies (OIT) collaborates with industry to improve the energy efficiency and productivity of industrial processes. The OIT manages programs to reduce energy use through new technologies in heat recovery, energy utilization, and industrial and municipal waste management.

Financing Resources Offered:

Grants
NICE³

Grant Services:

The National Industrial Competitiveness Through Energy, Environment, and Economics (NICE³) is a U.S. Department of Energy (DOE), Office of Industrial Technologies (OIT), cost-sharing grant program which advances U.S. competitiveness by demonstrating energy efficient and clean production manufacturing technologies in industry. By providing financial assistance to state and industry partnerships, the NICE³ program funds innovative projects that will advance a technology or production process to the demonstration stage for the first time in the U.S. (Projects and processes funded through the NICE³ Program achieve cleaner production in the industrial manufacturing sector by employing innovative eco-efficiency technologies that reduce overall resource use and emissions per unit of production.

NICE³ is a national program. It is administered in New England by the Regional Support Office and the cooperating state agencies. Four grants were awarded in Region I (including New York) in 1997, totaling approximately \$1.2 million. Total funding available for awards granted in 1998 is estimated to be up to \$6 million, which will be divided among the awardees throughout the country.



Federal Agencies
U.S. Department of Energy - Office of Industrial Technologies

Eligibility

Project Types	Currently Eligible	Previous Projects?
Pollution Control		
Pollution Prevention	X	X
Energy Efficiency	X	X
Water Conservation	X	X
Waste Management/Recycling	X	X

Eligibility Criteria

The types of projects eligible to receive grants through the NICE³ program cover a broad range of pollution prevention and energy efficiency categories. Ineligible projects include: waste disposal, site remediation, treatment or storage of wastes, end-of-pipe waste solutions, cross-media contamination shifts, nuclear radiation/waste, municipal solid waste collection or separation, incineration for energy recovery, noise abatement, proof of concept research proposals, waste-tire utilization, and technologies that are currently in use in the U.S. and abroad.

Guidelines

Parameter	Minimum	Maximum	Average
Grant Size	No minimum	\$425,000	\$300,000-\$400,000
Percent Financed	No minimum	45%	~45%
Application and Other Fees	No fees		

Total project cost for a single award must be cost-shared, with a minimum of 55% provided by a combination of state and industrial partner dollars. The industrial partner may receive a maximum of \$400,000 in federal funding. A maximum of \$25,000, or 10% of the funding level provided to the industrial partner, whichever is less, may be used to support the state applicant's cost share, if any, for costs associated with technology transfer/dissemination, marketing, etc.

Each award covers a project period of up to three years. Initial funding is provided for the first year costs. Funding for the remainder of the project is dependent on first year results and meeting project milestones.

After a grant is awarded, a Project Officer from the state is assigned to work closely with a firm on its grant project. The Project Officer interacts with the Regional NICE³ representative, providing quarterly reports. The regional representative visits the site to track the progress of the project. A final report is submitted at the project's completion.



Federal Agencies **U.S. Department of Energy - Office of Industrial Technologies**

The grantee also works with the DOE to prepare a fact sheet on the technology for general distribution.

Application Process

State agencies, on behalf of, or in conjunction with an industry partner or partners, apply for this grant program. Industry participation is required in all applications. Local governments, private non-profits, private businesses, individuals, and all others must apply through a state agency. All applications must be submitted and signed by an authorized state official.

For 1998, solicitation for applications opened on August 1, 1997 and closed on December 10, 1997 (some states may have their own deadlines). Applications are available at local DOE offices and also on the DOE's World Wide Web site. Some of the major components to the application include a complete, detailed description of the project, letters of commitment, cost sharing plans, other partners in the project, and energy savings calculations.

The national selection panel meets by February 20, 1998, to rank awards and determine who is to receive grants. Criteria for evaluating a grant application include innovation, energy savings, greenhouse gas emission reductions, economic competitiveness, the commercialization potential, and technology transfer prospects of the project.

The awards are announced on or about March 31, 1998. For 1999 grants, optional 2-page abstracts will be accepted for initial review through July 1, 1998.

Active State Participants:

Connecticut

Mary Sherwin
Department of Environmental
Protection
79 Elm St.
Hartford, CT 06106
Phone: (860) 424-3246
Fax: (860) 424-4060

Ronald Gingerich
Hazardous Waste Management
Service
50 Columbus Blvd., 4th Floor
Hartford, CT 06106
Phone: (860) 244-2007
Fax: (860) 244-2017

Maine

Department of Economic and Commercial Development, Energy Conservation Dept.
193 State St., State House
Station 59
Augusta, ME 04333



Federal Agencies

U.S. Department of Energy - Office of Industrial Technologies

Phone: (207) 287-6820

Fax: (207) 624-6810

Massachusetts

Dan Sardo

Division of Energy Resources

100 Cambridge St., 15th Floor

Boston, MA 02202

Phone: (617) 727-4732

Fax: (617) 727-0030

New Hampshire

Paul Lockwood

Department of Environmental Services

6 Hazen Dr.

Concord, NH 03301-6509

Phone: (603) 271-2956

Fax: (603) 271-2456

Scott Maltzie

Governor's Office of Energy and
Community Services

57 Regional Dr.

Concord, NH 03301

Phone: (603) 271-2611

Fax: (603) 271-2615

Rhode Island

Janice McClanghan

Office of Housing, Energy and Intergovernment Relations

275 Westminster St.

Providence, RI 02903

Phone: (401) 277-3370

Fax: (401) 277-1260

Vermont

James Stead

Agency of Development and Community

P2 Division

Office of the Secretary

Montpelier, VT 05609-0501

Phone: (802) 828-5238

Fax: (802) 828-3258

Gary Gulka

Agency of Natural Resources, Affairs

103 South Main St.

Waterbury, VT 05671-0404

Phone: (802) 241-3888

Fax: (802) 244-5141



Federal Agencies U.S. Small Business Administration

Contact Person: Anne Rice

Phone: (617) 565-5590

Fax: (617) 565-5598

10 Causeway St. Room 265
Boston, MA 02222-1093

Web Site: <http://www.sba.gov>

Organization Description:

The U.S. Small Business Administration (SBA) was created by Congress in 1953 as an independent agency of the federal government to aid, counsel, assist, and protect the interests of small businesses. The Agency accomplishes this in part by working with lending institutions to provide financial assistance programs to small businesses unable to secure financing through normal lending channels.

Financing Services Offered:

Financing Enhancements

7(a) Loan Guarantee Program - Pollution Control Loans

7(a) Loan Guarantee Program

Certified Development Company Program

Loans

7(m) Micro Loan Program

Financing Enhancement Services:

The SBA offers many different types of financing enhancements to small firms. For a firm wanting to invest in an environmental business improvement project, the most applicable SBA program is usually the 7(a) Loan Guarantee Program for Pollution Control Loans. This is a part of the general 7(a) financing program. Other programs the SBA offers which may be helpful to firms investing in environmental projects are the 7(m) MicroLoan Program and the 504 Certified Development Company Program.

7(a) Loan Guarantee Program- Pollution Control Loans

The Pollution Control Loans (PCL) program is authorized under the Small Business Act to provide assistance to eligible small businesses for financing the planning, design, or



Federal Agencies U.S. Small Business Administration

installation of a pollution control facility. This facility must prevent, reduce, abate, or control any form of pollution.

Eligibility

Project Types	Currently Eligible	Previous Projects?
Pollution Control	X	X
Pollution Prevention	X	X
Energy Efficiency		
Water Conservation		
Waste Management/Recycling	X	X

Eligibility Criteria

Pollution Control Loan guarantees are available for small businesses wanting to plan, design or install pollution control facilities. Certain pollution prevention and waste management or recycling projects may also qualify for loans. A pollution control facility is defined as real or personal property which is likely to help prevent, reduce, abate, or control noise, air, or water pollution or contaminants. This can be done by removing, altering, disposing, or storing pollutants, contaminants, wastes, or heat. Also eligible are real and personal property which will be used for the collection, storage, treatment, utilization, processing, or final disposal of solid or liquid waste. Related “resource recovery” property (recycling) is eligible when such property is stated to be useful for pollution abatement by a local, state, or Federal environmental regulatory authority.

Businesses operated for profit that fall within the size standards set by the SBA are eligible to receive loan guarantees. No guarantees are given to businesses engaged in speculation or investment. The SBA determines if the business qualifies as a small business based on the average number of employees during the preceding 12 months or on sales averaged over the previous three years. The maximum size standards by industry type are as follows:

Manufacturing—from 500 to 1,500 employees

Wholesale—no more than 100 employees

Services—from \$2.5 million to \$21.5 million in annual receipts

Retailing—from \$5 million to \$21 million

General construction—from \$13.5 million to \$17 million

Special trade construction—average annual receipts not to exceed \$7 million

Agriculture—from \$0.5 million to \$9 million



Federal Agencies U.S. Small Business Administration

For a more complete listing by four-digit SIC code, see www.sba.gov or call the Regional office.

Guidelines

Parameter	Minimum	Maximum	Average
Loan Guarantee Size	No minimum	\$1,000,000	
Interest Rate		2.75% over prime	
Percent of Loan Financed	75%	80%	
Loan Term		10 years (working capital) 25 years (fixed assets)	5-10 years
Fee and Closing Costs	Minimum of 0.25% of guarantee		

The SBA will guarantee up to \$1 million, less the amount outstanding of any SBA 7(a) financing. The SBA guarantees 75 percent of loans more than \$100,000 and 80 percent of loan amounts that are \$100,000 or less.

Fixed and variable interest rates are available. Interest rates are pegged at no more than 2.25 percent over the lowest prime rate for loans with maturities of less than seven years and 2.75 percent over the lowest prime rate for loans with maturities of seven years or longer. For loans under \$50,000 rates may be slightly higher.

The SBA charges the lender a nominal fee to provide a guarantee, and the lender may pass this charge on to the customer. The fee is based on the maturity of the loan and the dollar amount of the guarantee. On any loan with a maturity of one year or less, the fee is 0.25 percent of the guaranteed portion of the loan. On loans with maturities of more than one year, where the portion that the SBA guarantees is \$80,000 or less, the guarantee fee is 2% of the guaranteed portion. On loans with maturities of more than one year, where the SBA's portion exceeds \$80,000, the guarantee fee is figured on an incremental scale beginning at 3%.

The length of time for repayment depends on the use of proceeds and the ability of the business to repay. The maturity is usually 5-10 years for working capital (10 year maximum) and up to 25 years for fixed assets such as the purchase or major renovation of real estate or purchase of equipment (not to exceed the useful life of the equipment).

To adequately secure a loan, sufficient assets must be pledged to the extent that they are reasonably available. Personal guarantees are required from all the principal owners of the business. Liens on personal assets of the principals also may be required. However, in



most cases a loan will not be declined where insufficient collateral is the only unfavorable factor.

Application Process

Documentation requirements vary from lender to lender. Common requirements include purpose of the loan, history of the business, financial statements for three years (existing business), schedule of term debts (existing business), aging of accounts receivable and payable (existing business), projected opening day balance sheet (new business), lease details, amount of investment in the business by the owner(s), projections of income, expenses and cash flow, signed personal financial statements and personal resume(s).

Along with the normal submission requirements, applicants for a PCL guarantee should provide plans and/or specifications for the pollution control facility, along with written cost estimates. Care should be taken by the processing loan officers to assure that the project can be completed with the available sources of funds, including loan proceeds. Copies of any local, state or Federal Environmental Regulations that relate to the proposed facility should be provided with the application.

7 (a) Loan Guarantee Program

Through the 7(a) Loan Guarantee Program, the SBA guarantees loans to small businesses that cannot obtain financing on reasonable terms through other channels. This program generally is used to meet the varied short- and long-term needs of small businesses. Lenders, not the SBA, approve and service the loans and request SBA guarantees. The guarantees reduce lender risk, expanding their ability to make small business loans.

Eligibility

Project Types	Currently Eligible	Previous Projects?
Pollution Control	X	X
Pollution Prevention	X	X
Energy Efficiency	X	
Water Conservation	X	
Waste Management/Recycling	X	X

Eligibility Criteria

Loan proceeds from the 7(a) Program may be used for business start-ups, expansion, equipment purchases, working capital, inventory, or real-estate acquisition. Any environmental business improvement project that can fit into one of these categories is eligible for a 7(a) loan guarantee. See the listing for 7(a) Pollution Control Loans for a list of maximum size standards.



Guidelines

Parameter	Minimum	Maximum	Average
Loan Size	No minimum	No Maximum	
Interest Rate		2.75% over prime	
Percent of Loan Guaranteed	75%	80%	
Loan Term		10 years (working capital) 25 years (fixed assets)	5-10 years
Fee and Closing Costs	Minimum of 0.25% of guarantee		

The SBA will provide guarantees up to \$750,000, less the amount outstanding of any SBA 7(a) financing. The SBA guarantees 75 percent of loans more than \$100,000 and 80 percent of loan amounts that are \$100,000 or less. For loans over \$1 million, the SBA Guarantee is \$750,000.

Fixed and variable interest rates are available. Interest rates are pegged at no more than 2.25 percent over the lowest prime rate for loans with maturities of less than seven years and 2.75 percent over the lowest prime rate for loans with maturities of seven years or longer. For loans under \$50,000, rates may be slightly higher.

The SBA charges the lender a nominal fee to provide a guarantee, and the lender may pass this charge on to the customer. The fee is based on the maturity of the loan and the dollar amount of the guarantee. On any loan with a maturity of one year or less, the fee is 0.25 percent of the guaranteed portion of the loan. On loans with maturities of more than one year where the portion that the SBA guarantees is \$80,000 or less, the guarantee fee is 2% of the guaranteed portion. On loans with maturities of more than one year where the SBA's portion exceeds \$80,000, the guarantee fee is figured on an incremental scale, beginning at 3%.

The length of time for repayment depends on the use of proceeds and the ability of the business to repay. The maturity is usually 5-10 years for working capital (10 year maximum) and up to 25 years for fixed assets, such as the purchase or major renovation of real estate or purchase of equipment (not to exceed the useful life of the equipment).

To adequately secure a loan, sufficient assets must be pledged to the extent that they are reasonably available. Personal guarantees are required from all the principal owners of the business. Liens on personal assets of the principals also may be required. However, in most cases a loan will not be declined where insufficient collateral is the only unfavorable factor.



Application Process

Documentation requirements vary from lender to lender. Common requirements include purpose of the loan, history of the business, financial statements for three years (existing business), schedule of term debts (existing business), aging of accounts receivable and payable (existing business), projected opening day balance sheet (new business), lease details, amount of investment in the business by the owner(s), projections of income, expenses and cash flow, signed personal financial statements, and personal resume(s).

The SBA evaluates 7(a) loan guarantee applicants on the following criteria: good character; management expertise and commitment necessary for success; sufficient funds, including the SBA-guaranteed loan, to operate the business on a sound financial basis; feasible business plan; adequate equity or investment in the business; sufficient collateral; and the ability to repay the loan on time from the projected cash flow.

504 Certified Development Company Program

The 504 Certified Development Company Program enables growing businesses to secure long-term, fixed-rate financing for major fixed assets, such as land and buildings. A certified development company (CDC) is a non-profit corporation set up to contribute to the economic development of its community or region. CDCs work with the SBA and private-sector lenders to provide financing to small businesses. There are about 290 CDCs nationwide.

Eligibility

Project Types	Currently Eligible	Previous Projects?
Pollution Control	X	
Pollution Prevention	X	
Energy Efficiency	X	
Water Conservation	X	
Waste Management/Recycling	X	

Eligibility Criteria

Loan proceeds from the 504 CDC Program must be used for fixed-asset projects such as: purchasing land and improvements, including existing buildings, grading, street improvements, utilities, parking lots, and landscaping; construction of new facilities, or modernizing, renovating, or converting existing facilities; and purchasing machinery and equipment. Any environmental business improvement project that can fit into one of these categories is eligible for a 504 loan. The 504 Program cannot be used for working capital or inventory, consolidating or repaying debt, or most refinancing.



To be eligible, a business generally must be operated for profit and fall within the size standards set by the SBA. Under the 504 Program, a business qualifies as small if it does not have a tangible net worth in excess of \$6 million and does not have an average net income in excess of \$2 million after taxes for the preceding two years, or if it meets standard 7(a) criteria. Loans cannot be made to businesses engaged in speculation or investment. See the listing for 7(a) Pollution Control Loans for a list of maximum size standards.

Guidelines

Parameter	Minimum	Maximum	Average
Loan Guarantee Size	No minimum	\$1 million	
Interest Rate	Current market rate, plus an increment based on market conditions		
Loan Term	10 and 20 years		
Fee and Closing Costs	3% of SBA debenture		

The maximum SBA debenture generally is \$750,000 (up to \$1 million in some cases). A typical 504 project includes: a loan secured with a senior lien from a private-sector lender covering up to 50% of the project cost; a second loan secured with a junior lien from the CDC (a 100% SBA-guaranteed debenture) covering up to 40% of the project cost; and a contribution of at least 10% equity by the borrower.

Interest rates on 504 loans are based on the current market rate for five-year and ten-year U.S. Treasury issues plus an increment above the Treasury rate, based on market conditions. Only maturities of 10 years and 20 years are available. Fees total approximately 3% of the debenture and may be financed with the loan.

To adequately secure a loan, the project assets being financed are used as collateral. Personal guarantees are required from all the principal owners of the business.

Application Process

Documentation requirements vary from lender to lender. Common requirements include purpose of the loan, history of the business, financial statements for three years (existing business), schedule of term debts (existing business), aging of accounts receivable and payable (existing business), projected opening day balance sheet (new business), lease details, amount of investment in the business by the owner(s), projections of income, expenses and cash flow, signed personal financial statements and personal resume(s).

Loan Services: 7 (m) MicroLoan Program



Federal Agencies U.S. Small Business Administration

The 7(m) MicroLoan Program provides small loans ranging from under \$100 to \$25,000. Under this program, the SBA makes funds available to non-profit intermediaries; these, in turn, make the loans. Completed applications usually are processed by the intermediary in less than one week. This is a pilot program available at a limited number of locations.

Eligibility

Project Types	Currently Eligible	Previous Projects?
Pollution Control	X	
Pollution Prevention	X	
Energy Efficiency	X	
Water Conservation	X	
Waste Management/Recycling	X	

Eligibility Criteria

Loan proceeds from the MicroLoan Program may be used to finance machinery, equipment, fixtures, receivables, and leasehold improvements. They may also be used for working capital. Any environmental business improvement project that can fit into one of these categories is eligible for a 7(m) MicroLoan. Proceeds may not be used to pay existing debt. See the listing for 7(a) Pollution Control Loans for a list of maximum size standards.

Guidelines

Parameter	Minimum	Maximum	Average
Loan Size	No minimum	\$25,000	\$10,000
Interest Rate		4% over prime	
Loan Term		6 years	
Fee and Closing Costs	No fees		

Businesses can take up to 6 years to repay a 7(a) MicroLoan, depending on their earnings. Interest rates are pegged at no more than 4% over the prime rate. Each non-profit lending organization will have its own requirements, but must take as collateral any assets purchased with the microloan. In most cases, the personal guarantees of the business owners are also required.

Application Process

Interested businesses should call the District SBA office to inquire about participating non-profit intermediaries in their area.



State Agencies- Connecticut Connecticut Development Authority

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Web Site: <http://www.state.ct.us/cda/>

Organization Description:

The Connecticut Development Authority's (CDA) mission is to provide loans and loan guarantees to enhance economic development in Connecticut. The CDA was established and is funded by the Connecticut legislation. The CDA reports to a board of directors appointed by the governor and the legislature. Target projects include those that increase or retain employment, provide high quality jobs, and increase state exports. CDA provides a wide variety of financing services, including direct loans for small business development, targeted loans, bond issues, and loan guarantees.

Financing Resources Offered:

Loans

Environmental Assistance Revolving Loan Fund

Financing Enhancements

Environmental Assistance Revolving Loan Fund

Loan Services: Environmental Assistance Revolving Loan Fund

The Environmental Assistance Revolving Loan Fund targets projects that prevent or control pollution. The program has been in operation for 4 years. In 1996-97, few environmental loans were approved. The total value of loans approved since the Fund's inception is \$550,000.



State Agencies- Connecticut Connecticut Development Authority

Eligibility

Project Types	Currently Eligible	Previous Projects?
Pollution Control	X	X
Pollution Prevention	X	X
Energy Efficiency		
Water Conservation		
Waste Management/Recycling		

Eligibility Criteria

Loans are available to manufacturing firms in Connecticut with fewer than 150 employees or annual revenues of less than \$25 million. The criteria considered include traditional lending criteria (i.e., the demonstrated ability to repay the loan), the benefits of the funds to the applicant, and the benefits of the project to the state. The Connecticut Hazardous Waste Management Service must certify that the project reduces the use of hazardous and toxic substances in the manufacturing process. Types of loan security accepted include liens on available assets (excluding the underlying assets), personal guarantees, etc.

Guidelines

Parameter	Minimum	Maximum	Average
Loan Size	\$25,000	\$500,000	
Interest Rate	U.S. Treasury bond rate for same period as loan + 2.5%		
Percent Financed	No minimum	No maximum	80%
Loan Term	No minimum	7 years	5 years
Repayment schedule	Fixed principal payments plus interest		
Fee and Closing Costs	Application fee of \$250 Commitment fee 0.5% for loans over \$50,000		

CDA determines the interest rate by adding 2.5% to the rate on U.S. Treasury Bonds with maturity close to the term of the loan. Loans range up to \$500,000, and can finance up to the full costs of the project, although most borrowers contribute some portion of the project funds or obtain some financing from other sources. Payments are based on a fixed portion of principal, plus interest. There is an application fee of \$250, as well as a commitment fee of 0.5% of the value of the loan.

Application Process

The information required on the application includes extensive information about the history of the business, historical financial information, and a project description. Twelve Business Outreach Centers in Connecticut offer to assist applicants in preparing an



State Agencies- Connecticut Connecticut Development Authority

application, and the CDA also offers direct assistance. Applications may be submitted at any time.

Financing Enhancement Services: Environmental Assistance Revolving Loan Fund

In addition to the direct loans described above, the Environmental Assistance Revolving Loan Fund offers loan guarantees through commercial banks. Loan guarantees are backed by the same funds as the direct loans. The loan guarantee program has been in operation for 4 years. No environmental loan guarantees were approved in 1997.

Eligibility

Project Types	Currently Eligible	Previous Projects?
Pollution Control	X	X
Pollution Prevention	X	X
Energy Efficiency		
Water Conservation		
Waste Management/Recycling		

Eligibility Criteria

Loan guarantees are available to manufacturing firms in Connecticut, as well as to non-profits. The project must reduce the quantity or toxicity of hazardous waste or other pollution generated in Connecticut. The company must demonstrate that it will have the ability to repay the loan in the future, through available collateral, personal guarantees, and projected future financial status.

Guidelines

Parameter	Minimum	Maximum	Average
Loan Guarantee Size	\$50,000	\$10,000,000	\$200,000
Percent Guaranteed	No minimum	40%	25%
Length of Loan Guarantee	No minimum	25 years for land and buildings, 10 years for machinery, 7 years for working capital	
Fee and closing costs	Application fee of \$250 Commitment fee 0.5% for loan guarantees over \$50,000		

CDA loan guarantees under the Environmental Assistance Revolving Loan Fund can guarantee up to 40% of a bank loan, with a maximum guarantee of \$10 million. The



State Agencies- Connecticut Connecticut Development Authority

maximum term of the loan guarantee depends on the type of asset being purchased: 25 years for land or buildings, 10 years for other fixed assets, and 7 years for working capital. There is an application fee of \$250, as well as a commitment fee of 0.5% of the value of the guarantee.

Application Process

The information required on the application includes extensive information about the history of the business, historical financial information, and a project description. Twelve Business Outreach Centers in Connecticut offer to assist applicants in preparing an application, and the Connecticut Development Finance Authority also offers direct assistance. Applications may be submitted at any time.



State Agencies- Maine Finance Authority of Maine

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83 Western Ave., PO Box 949
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Web Site: <http://www.fame.com>

Organization Description:

The Finance Authority of Maine's (FAME's) mandate is to promote broad-based economic development through the use of affordable and innovative financial products and services. FAME relies on public funding through a variety of mechanisms, including various fees on government services, bond issues, and the statutory authority to borrow using the State's credit.

Financing Resources Offered:

Loans

Waste Reduction and Recycling Loan Fund

Financing Enhancements

Small Business Loan Guarantee

Loan Services: Waste Reduction and Recycling Loan Fund

The Waste Reduction and Recycling Loan Fund has been in operation since 1990. It was funded by a one-time capitalization by the legislature of \$400,000. Of the initial capitalization, roughly \$350,000 remains available. The program helps small businesses meet the goals of Maine's Waste Management Program. In 1997, 1 environmental loan was approved, with a value of \$75,000.

Eligibility

Project Types	Currently Eligible	Previous Projects?
Pollution Control	X	
Pollution Prevention	X	
Energy Efficiency	X	
Water Conservation		
Waste Management/Recycling	X	X



State Agencies- Maine Finance Authority of Maine

Eligibility Criteria

Loans are available to applicants in Maine. The criteria considered include creditworthiness, the feasibility of the project, and the contribution to the Maine waste management plan. The project must involve recycling (broadly defined to include source reduction and some methods of pollution control). Types of loan security accepted include business assets and personal guarantees.

Guidelines

Parameter	Minimum	Maximum	Average
Loan Size	No minimum	\$100,000	\$75,000
Interest Rate	4% with a 50% or greater match, 8% with less than 50% match		
Percent Financed	No minimum	No maximum	50%
Loan Term	No minimum	10 years	10 years
Repayment schedule	Monthly payments		
Fee and Closing Costs	2% closing fee		

FAME offers business development loans at a fixed rate of 4% if the borrower provides at least 50% matching funds, 8% otherwise. The maximum loan size is \$100,000, and the funds may be used to finance up to the full costs of a project. There is a 2% closing fee.

Application Process

The information required on the application includes financial statements (3 years), financial projections (1 year), a feasibility study of the project, and a description of how the project fits into the Maine recycling plan. Maine's Small Business Development Centers offer assistance on filling out the application. Applications may be submitted at any time. It generally takes FAME 10–14 days to reach a decision on completed applications. The applicant success rate so far has been 100%, although loan terms and conditions have varied based on the creditworthiness of the borrowers.

Financing Enhancement Services: Small Business Loan Guarantee

The purpose of the Small Business Loan Guarantee is to support small business growth and development, focusing on job creation, job retention, and expansion of Maine's tax base. 536 loans were guaranteed in fiscal year 1997. FAME has the statutory capacity to guarantee loans up to a total of \$100 million.



State Agencies- Maine Finance Authority of Maine

Eligibility

Project Types	Currently Eligible	Previous Projects?
Pollution Control	X	X
Pollution Prevention	X	X
Energy Efficiency	X	
Water Conservation	X	
Waste Management/Recycling	X	

Eligibility Criteria

Loan guarantees are available to firms in Maine with less than \$5 million annual sales or fewer than 50 employees. The firm must have already obtained a commitment from a commercial bank to finance the project, contingent upon obtaining a government loan guarantee. The loan funds must be used for a legitimate commercial purpose, and the applicant must demonstrate the ability to repay the loan (although this requirement will be less stringent than at the private bank making the loan). Other criteria include the adequacy of the loan collateral, personal resumes of business owners, and any public benefits the project will provide.

Guidelines

Parameter	Minimum	Maximum	Average
Loan Guarantee Size	No minimum	\$1 million	\$166,000
Percent Guaranteed	No minimum	90%	89%
Length of Loan Guarantee	Depends on the use of loan funds		
Application Fee	No application fee		
Annual Fee	1% annual insurance fee on outstanding balance		

FAME's small business loan guarantees are offered through participating banks. FAME will guarantee up to 90% of a loan, for a guarantee of no more than \$1 million. Other loan terms depend on the bank issuing the loan. There is an annual fee of 1% of the remaining loan balance for the guarantee.

Application Process

The firm should apply for a loan from a commercial bank and obtain a commitment to finance the project if the loan can be guaranteed. FAME will then review the bank's analysis of the loan and its signed commitment, as well as all the materials submitted by the loan applicant. FAME then does an independent underwriting analysis of the loan, and



State Agencies- Maine Finance Authority of Maine

typically responds within 10 business days. The applicant success rate is approximately 75%.



State Agencies- Massachusetts
The Massachusetts Toxics Use Reduction Institute-
University of Massachusetts, Lowell

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One University Avenue
Lowell, MA 01854-2866

Web Site: <http://www.turi.org>

Organization Description:

The Massachusetts Toxics Use Reduction Institute (TURI), located at the University of Massachusetts Lowell, was established by the Massachusetts Toxics Use Reduction Act (TURA) of 1989. The Institute's mission is to promote reduction in the use of toxic chemicals and the generation of toxic byproducts in Massachusetts industry and commerce. The Institute works to accomplish this mission through research, education, and technical support. It is funded through industry fees and is administered by the Massachusetts Executive Office of Environmental Affairs. Funding for grants is dependent on future TURA funding.

Financing Resources Offered:

Grants

Grant Services:

TURI has been funding innovative Toxics Use Reduction (TUR) projects since 1992 through the Industry Matching Grants program. In 1995, TURI launched the Cleaner Technology Demonstration Sites program. In 1996, TURI merged these two programs into one funding vehicle in order to provide companies with the opportunity to showcase their accomplishments as well as to test and demonstrate new cleaner technologies. Projects may range from feasibility studies to demonstrations of in-place innovative technologies which may include processes, materials, equipment, or methods.

Five grants were awarded in 1997 totaling \$60,000.



State Agencies- Massachusetts
The Massachusetts Toxics Use Reduction Institute-
University of Massachusetts, Lowell

Eligibility

Project Types	Currently Eligible	Previous Projects?
Pollution Control		
Pollution Prevention	X	X
Energy Efficiency		
Water Conservation		
Waste Management/Recycling		

Eligibility Criteria

In order for a project to qualify for a grant, its goal must be toxics use reduction as defined by the Massachusetts Toxics Use Reduction Act of 1989. TURI is especially interested in funding projects which focus on production processes and materials. Excluded from toxics use reduction are end-of-pipe solutions (i.e., pollution control), recycling techniques that are not an integral part of the process generating the material to be recycled, and measures which do not result in the direct reduction of the use of toxic chemicals (e.g., water conservation measures).

Every year TURI identifies principal focus areas. Projects which relate to one or more of these focus areas may receive preference in funding. Past focus areas have included metal products and metal finishing, electronics, surface coating, printing, and textiles.

An eligible recipient is any Massachusetts industrial or commercial facility which uses toxic chemicals. Facilities with a technology already in place that is a cleaner substitute for a process using toxic chemicals are also eligible to receive grants.

Guidelines

Parameter	Minimum	Maximum	Average
Grant Size	\$4,000	\$25,000	\$12,000
Percent Financed		50%	~50%
Grant Term		10 months	
Fee and Closing Costs	No fees		

The maximum funding available through a matching grant is \$20,000. The maximum funding available for demonstration site funding is \$10,000. The maximum total grant for a combination TUR Project and Demonstration Site is \$25,000. A dollar-for-dollar match



**State Agencies- Massachusetts
The Massachusetts Toxics Use Reduction Institute-
University of Massachusetts, Lowell**

by the firm is needed for matching grants, but no match by the firm is required for demonstration site funding.

Application Process

Flyers are issued in May announcing the Request for Proposals (RFP) for grants to be awarded in the next Fiscal Year. Interested companies should contact TURI for a full RFP. Proposals are due by the end of July. Information required in the proposal includes: an administrative cover sheet; a half-page abstract of the project; a list of the contractors, consultants and suppliers; a 2-3 page project description complete with expected results and benefits; a site visit/ demonstration plan; project budget; goals and objectives; methodology; and concise resumes for the Project Manager and Principal Investigator. Assistance on proposals is available from TURI.

Proposals are evaluated according to project innovation, significant reduction of toxics, transferability to other companies or industries, demonstratability, and a willingness to assist in publicizing results. Awards are announced and distributed at the end of August. Approximately 50% of applicants receive grants.

The grant period is from the end of August until the end of the following June. For matching grants, recipients are expected to measure the benefits of the project, provide site visits, and prepare a written project report. For demonstration projects, recipients are expected to prepare materials for publication, provide site visits, and prepare a written project report.



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Web Site:
<http://www.massdevelopment.com>

Organization Description:

MassDevelopment is the affiliation of the Massachusetts Industrial Finance Authority (MIFA) and the Massachusetts Government Land Bank. It is a quasi-public agency and was established by legislation in 1995.

MassDevelopment serves communities of the Commonwealth as their state investment bank and real estate development agency. Agency customers include manufacturers, business enterprises, health and elder care providers, educational, and cultural institutions. To help these customers realize their goals, MassDevelopment employs a variety of financing tools. The types of services provided by the Agency include pre-development assistance funds, tax-exempt and taxable bonds, and a variety of loan and loan guarantee programs.

Financing Resources Offered:

Loans

Emerging Technology Fund

Financing Enhancements

Emerging Technology Fund

Equipment Leasing

Bond Financing

Loan Services: Emerging Technology Fund

MassDevelopment offers loans through its Emerging Technology Fund (ETF). Established in 1993, the ETF is designed to stimulate increased financing for new manufacturing, research and development, and equipment purchases by complementing traditional lenders with direct loans and loan guarantees.

Direct lending allows MassDevelopment to invest in companies wishing to expand their business, but who cannot independently obtain venture capital or additional commercial



credit. As a partner in financing, MassDevelopment works with a company's existing lender to structure a participation or a co-lending agreement that enables the deal to move forward. The loan proceeds can be used to construct or expand facilities and to purchase new equipment.

Eligibility

Project Types	Currently Eligible	Previous Projects?
Pollution Control	X	
Pollution Prevention	X	
Energy Efficiency	X	
Water Conservation	X	
Waste Management/Recycling	X	

Eligibility Criteria

Any technology-based company with its principal place of business located in Massachusetts, is eligible to apply for a loan. There is a primary emphasis in high-growth industries such as biotechnology, medical, telecommunications, advanced materials, electronics, and environmental industries.

At least two at-risk parties, in addition to MassDevelopment, must be participants in the financial arrangements. The company must clearly demonstrate a strong management team, technical feasibility, and market demand for its end product(s).

Loans may be issued for a variety of project types, and eligibility is dependent on the particular technologies being installed. Firms should contact MassDevelopment to determine whether their proposed project is eligible for a loan under the ETF.

Guidelines

Parameter	Minimum	Maximum	Average
Loan Size	No minimum	\$2.5 million for facilities, \$500,000 for equipment	\$500,000
Interest Rate			Fixed, market rate
Percent Financed	No minimum	33.3%	
Length of Loan		7 years	
Application Fee	0.5% of total loan request		
Issuance Fee	1.5%		



The maximum loan for facilities is \$2.5 million or 33.3% of the aggregate debt, whichever is less. The maximum loan for equipment is \$500,000 or 33.3% of the aggregate debt, whichever is less. Loans are secured by a first lien on the underlying assets. Additional security may be required. The loan runs co-terminus with the participating lender(s) for up to 7 years. Interest rates are typically fixed-rate for the term of the loan.

There is a 0.5% fee based on the total loan amount requested due upon application submission. An additional 1.5% fee is collected upon issuance of a commitment letter.

Application Process

A completed investment application is submitted to the Agency to determine eligibility. Information required on the application includes: firm demographics; a complete project description; financial information, including any existing loans and contingent liabilities, suits, or disciplinary actions; and estimated project costs and other sources of funding. The ETF Advisory Committee and the MassDevelopment Board of Directors review the application and, upon approval, the transaction will proceed between the borrower and MassDevelopment.

Financing Enhancements Services: Emerging Technology Fund

MassDevelopment offers loan guarantees through its Emerging Technology Fund (ETF). Established in 1993, the ETF is designed to stimulate increased financing for new manufacturing, research and development, and equipment purchases by complementing traditional lenders with direct loans and loan guarantees.

MassDevelopment issues loan guarantees to private lenders to support the growth of small and medium sized emerging technology companies. An ETF guarantee addresses key concerns of lenders by reducing exposure on state-of-the-art-facilities and specialized equipment. The guarantee is strengthened by MassDevelopment's strong cash reserves. Guaranteed loan proceeds can be used for tenant build-out, to construct or expand facilities, and to purchase new equipment.



Eligibility

Project Types	Currently Eligible	Previous Projects?
Pollution Control	X	
Pollution Prevention	X	
Energy Efficiency	X	
Water Conservation	X	
Waste Management/Recycling	X	

Eligibility Criteria

Any technology-based company with its principal place of business located in Massachusetts, is eligible for a loan guarantee. There is a primary emphasis in growth industries such as biotechnology, medical, telecommunications, advanced materials, electronics, and environmental industries.

At least two at-risk parties, in addition to MassDevelopment, must be included in the financial arrangements. The company must clearly demonstrate a strong management team, technical feasibility, and market demand for its end product(s).

Loan guarantees may be issued for a variety of project types, and eligibility is dependent on the particular technologies being installed. Firms should contact MassDevelopment to determine whether their proposed project is eligible for a loan guarantee under the ETF.

Guidelines

Parameter	Minimum	Maximum	Average
Loan Guarantee Size	No minimum	\$1.5 million	\$200,000
Percent Financed		50%	
Length of Loan Guarantee	4-5 years	10 years	
Application Fee	0.5% of total guarantee amount requested		
Issuance Fee	0.5%		
Annual Fees	3-5% of outstanding guarantee balance		

The lender is the party protected by the guarantee. The maximum guarantee is \$1.5 million or 50% participation of the aggregate debt, whichever is less. The guarantee covers principal only. In the event of default, and after liquidation, the ETF reimburses the lender for the remaining guaranteed portion of the unpaid principal. Loan guarantees may be issued for up to 7 years. Equity participation in the form of warrants to purchase stock in the company securing the guarantee may be required to issue the guarantee.



There is a 0.5% fee based on the total guarantee amount requested due upon application submission. An additional 0.5% fee is collected upon issuance of a commitment letter. Annual fees, ranging from 3% to 5%, are collected based on the outstanding guarantee balance.

Application Process

A completed investment application is submitted to the Agency to determine eligibility. Information required on the application includes: firm demographics; a complete project description; financial information, including any existing loans and contingent liabilities, suits, or disciplinary actions; and estimated project costs and other sources of funding. The ETF Advisory Committee and the MassDevelopment Board of Directors review the application and, upon approval, the transaction will proceed between the borrower and MassDevelopment.

Equipment Leasing Services:

MassDevelopment's tax-exempt lease/purchase program provides manufacturers, non-profit institutions, and environmental enterprises with a low-cost alternative for financing \$300,000 or more in new equipment needs by enabling leasing companies to furnish below-market, tax-exempt interest rates. To confer tax-exempt status, MassDevelopment leases the equipment from a third party lessor and then sub-leases it to the borrower. Borrowers make payments directly to the lessor or to a trustee/escrow bank for the benefit of the lessor. Because the lessor does not pay income taxes on the interest component of the lease payment, interest rates offered through the program are lower than those in the commercial market. The tax-exempt interest rates can result in sizable cost savings for participating companies. At the end of the lease term, the borrower owns the equipment.

Lease financing can be used to purchase new equipment integral to the manufacturing process or essential to non-profit institutions, such as computer and phone systems. A percentage of soft costs, including installation and financing fees, may also be financed.



Eligibility

Project Types	Currently Eligible	Previous Projects?
Pollution Control	X	
Pollution Prevention	X	
Energy Efficiency	X	
Water Conservation	X	
Waste Management/Recycling	X	X

Eligibility Criteria

The applicant must be a qualified manufacturer, environmental enterprise, or not-for-profit 501(c)(3) entity located in Massachusetts. For manufacturers, total capital expenditures may not exceed \$10 million within the same municipality three years prior to and three years after the issuance of the lease. For environmental enterprises, companies that handle sewage, solid and hazardous waste treatment, and recyclables are eligible.

Equipment leases may be issued for a variety of project types, and eligibility is dependent on the particular technologies being installed. Potential applicants should contact MassDevelopment to determine whether their project concept is eligible for leasing.

Guidelines

Parameter	Minimum	Maximum	Average
Lease Size	\$300,000	\$10 million	\$1 million
Interest Rate	70% of traditional rates		
Percent Financed		100% financing available	
Length of Lease	5-10 years		
Application Fee	\$500 for projects up to \$1 million and \$1,000 for projects over \$1 million		
Closing Costs	1% for Manufacturers and Environmental Enterprises 0.5% for Non-Profit Institutions		

Variable rates are generally a percentage of prime or a spread over commercial paper rates, and fixed rates are generally 70% or less of traditional taxable leasing rates on capital leases.

Application Process

After consulting with MassDevelopment, the firm submits a completed application to the Agency to determine eligibility. Information required on the application includes firm



demographics, a complete description and cost estimate of the equipment to be leased, financial statements for the past three years, capital expenditures for the past three years, and estimates of capital expenditures for the next three years. MassDevelopment's Board of Directors vote on the project's eligibility. After MassDevelopment assists the borrower in selecting a leasing company and evaluating lease structure alternatives, a bond counsel prepares all documentation. Once all the documentation is in final form, the Agency's Board gives the project final approval. The financing can proceed to closing and the funds are available to the borrower.

Bond Financing Services:

MassDevelopment offers both tax-exempt and taxable bond financing. Tax-exempt bond financing provides manufacturers, non-profit institutions, long term care facilities, and environmental enterprises with a cost-effective method to finance capital expansion projects, new equipment purchases, and facility expansion projects. To date, MassDevelopment has issued over \$8.95 billion in tax-exempt bonds for over 2,600 projects.

Tax-exempt bond financing is similar to conventional financing except that it offers lower interest rates and more flexible terms. Interest earned by the bond holder is exempt from federal and state income taxes, and tax-exempt bonds for non-profit institutions are also exempt from the Alternative Minimum Tax (AMT). While interest rates for tax-exempt bonds fluctuate, historically they have offered significantly lower costs than commercial financing.

Tax-exempt bonds for manufacturers and environmental enterprises can be used to purchase land, buildings, or equipment; to construct or renovate buildings; and in some cases, to refinance existing debt. Similar bond financing is available for non-profit organizations and long term care facilities.

Taxable bonds offer borrowers flexibility in rates and terms. Since there is no limit to the bond size, the program is well-suited to major industrial and commercial real estate projects, particularly for companies that can no longer gain access to tax-exempt financing. These bonds are not subject to the same restrictions of federal tax law which apply to tax-exempt bonds. In some instances, taxable bonds are exempt from state income taxes for Massachusetts' investors.

Taxable bonds can be used to purchase land, buildings or equipment, to construct or renovate buildings, and in many cases, to refinance existing asset-based debt.



Eligibility

Project Types	Currently Eligible	Previous Projects?
Pollution Control	X	
Pollution Prevention	X	
Energy Efficiency	X	
Water Conservation	X	
Waste Management/Recycling	X	

Eligibility Criteria

To be eligible for tax-exempt bonds, the manufacturer or environmental enterprise must be located in Massachusetts. For manufacturers, total capital expenditures may not exceed \$10 million within the same municipality three years prior to and three years after the issuance of the bond. For environmental enterprises, federal tax laws mandate that only companies that handle sewage, solid and hazardous waste treatment, and recyclables are eligible to receive tax-exempt bonds. The project must also create or retain jobs.

To be eligible for taxable bonds, the company must be located in Massachusetts and the project must create or retain jobs.

Guidelines

Parameter	Minimum	Maximum	Average
Bond Size	\$1.2 million for real estate and/or equipment \$300,000 for equipment only	\$10 million for manufacturers No maximum for environmental entities	\$37 million
Interest Rate			Fixed or variable rate financing
Application Fee	\$1,000 non-refundable		
Issuance Fee	1% (0.5% for non-profits)		

For manufacturers, the minimum cost-effective tax-exempt bond amount is \$1.2 million for real estate and/or equipment and \$300,000 for equipment only. The maximum amount is a federally imposed \$10 million. Manufacturers must expend bond proceeds within three years of the date of issuance. There is no minimum or maximum amount for taxable bonds.

Bonds are sold either through public markets or private placements to institutional investors. Credit enhancement in the form of bond insurance or a letter of credit may be



required. Tax-exempt bonds are backed by collateral, the obligation of the company, and the letter of credit, not the Agency or the Commonwealth of Massachusetts. The Agency does not impose any covenants or collateral requirements except as requested by underwriters, rating agencies, or letter of credit providers.

The bonds can be either fixed-rate or variable-rate. Up to 2% of the total bond proceeds may be used to pay issuance costs.

Application Process

After consulting with a representative from MassDevelopment, the company submits a completed application to the Agency, who then determines eligibility. The information required on the application includes firm demographics, a detailed description of the proposed project, estimated project costs, and other sources of funding. MassDevelopment's Board of Directors vote on the project's eligibility and Bond counsel prepares an opinion and resolution and determines tax eligibility. If approved, the project will receive Official Action, which allows the tax-exempt borrower to finance any prior project costs incurred within 60 days on a tax-exempt basis. Once the bond purchaser has been identified and the structure finalized, the project will be presented to the Agency's Board for final approval. After final approval, the bonds are sold by the underwriter. The exact timing of the bond issuance may depend on market conditions.



State Agencies- New Hampshire New Hampshire Business Finance Authority

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Concord, NH 03301-4954

Web Site:
[http://www.ded.state.nh.us/obid/finance/
bfa_info.htm](http://www.ded.state.nh.us/obid/finance/bfa_info.htm)

Organization Description:

As part of its mission, the New Hampshire Business Finance Authority (BFA) provides financing alternatives for small New Hampshire companies considered to have more than conventional risk. Because BFA recognizes the difficulties non-traditional, capital intensive companies face when attempting to obtain normal bank financing, it makes special efforts to make credit available for these types of businesses.

Financing Resources Offered:

Financing Enhancements

Capital Access Program

Guarantee Asset Program

Financing Enhancement Services:

The Capital Access Program (CAP) and the Guarantee Asset Program (GAP) were both established by legislation in 1992 and are self-funded.

Capital Access Program

The Capital Access Program (CAP) offers to reduce lender risk for small New Hampshire companies considered to have more than conventional risk. It allows these companies to obtain loans of up to \$250,000 (to be reduced to \$100,000) through participating banks. BFA recognizes that banks often face higher risks with loans to emerging or thinly capitalized companies. Therefore, BFA created CAP, a program that gives banks incentives to issue small business loans by establishing a loan-loss reserve known as the CAP Fund. Banks may reduce their risk on loans made through this program by charging losses to the CAP Fund. Businesses interested in obtaining a loan through CAP apply through a participating bank.



State Agencies- New Hampshire New Hampshire Business Finance Authority

Eligibility

Project Types	Currently Eligible	Previous Projects?
Pollution Control	X	
Pollution Prevention	X	
Energy Efficiency	X	
Water Conservation	X	
Waste Management/Recycling	X	

Eligibility Criteria

New Hampshire businesses with annual revenues of less than \$5 million are eligible to receive assistance through CAP. Although the CAP fund is not designed to specifically support business improvement projects with environmental benefits, such projects are eligible for CAP assistance, and business owners contemplating the types of projects listed in the table above are encouraged to apply.

Guidelines

Parameter	Minimum	Maximum	Average
Loan Size	No minimum	\$250,000	
Fee and Closing Costs	2.25% or 3%		

The total loan amount may not exceed \$250,000 (to be reduced to \$100,000). Upon determination by the lender, the business will be required to deposit 2.25% or 3% of the eligible portion of the loan amount to the CAP Fund. The lender will be required to deposit between 0.75% and 1% of the total loan amount into the CAP Fund. The BFA will contribute 2.5 times the combined lender and business contribution (not to exceed 10% of the total loan amount) to the CAP Fund.

Application Process

Interested companies apply for a CAP loan through a participating bank. Potential applicants should call the BFA to obtain a list of participating financial institutions. All decisions regarding eligibility of the business are made by the lending institution. At closing, the business, the bank, and the BFA make a non-refundable contribution to the CAP Fund.



State Agencies- New Hampshire New Hampshire Business Finance Authority

Guarantee Asset Program

The Guarantee Asset Program (GAP) was created to make credit available to non-traditional, capital intensive companies who often have trouble obtaining normal bank financing. Through GAP, the BFA reduces lender risk by guaranteeing up to 90% of a bank loan made to a qualifying business.

Eligibility

Project Types	Currently Eligible	Previous Projects?
Pollution Control	X	
Pollution Prevention	X	
Energy Efficiency	X	
Water Conservation	X	
Waste Management/Recycling	X	

Eligibility Criteria

New Hampshire businesses with at least 25 full-time employees are eligible to receive assistance through GAP. Although the GAP fund is not designed to specifically support business improvement projects with environmental benefits, such projects are eligible for GAP assistance, and business owners contemplating the types of projects listed in the table above are encouraged to apply.

Guidelines

Parameter	Minimum	Maximum	Average
Loan Size	No minimum	No maximum	
Loan Maturity		5 years	
Loan Amortization		20 years	
Closing Costs	1% of the loan guarantee		
Annual Fees	Up to 2% of loan guarantee		
Application Fees	\$250-1,000 dependent on size of guarantee request		

The terms of the loan to be guaranteed are determined by the bank, but consistent with BFA's criteria for working capital, maturity, and principal repayment. Businesses receiving loans through GAP need to offer collateral with a recent market appraisal of 1.25 times the original principal amount. The business may use up to 40% of the loan for working capital. The maturity of the loan must not exceed 5 years and the loan amortization must not exceed 20 years. A fee equal to 1% of the loan guarantee is due at closing. An annual



State Agencies- New Hampshire New Hampshire Business Finance Authority

fee of up to 2% of the loan guarantee is also required. The application fee schedule is as follows:

<u>BFA Guarantee Request</u>	<u>Application Fee</u>
\$0- \$200,000	\$250
\$200,001- \$1,000,000	\$400
\$1,000,001- \$2,000,000	\$600
\$2,000,001- \$10,000,000	\$800
\$10,000,001- and over	\$1,000

Application Process

Interested businesses apply for a loan from a financial institution. The list of participating institutions is available from the BFA. If a loan guarantee under GAP is necessary, the bank will submit an application directly to the BFA. Before final issuance, all guarantees must receive approval from the BFA and authorization from the Governor and Council of the State of New Hampshire.



State Agencies- Rhode Island
Rhode Island Department of Environmental Management

Contact Person: Ray Pena
Senior Environmental Planner

Phone: (401) 277-3961 x7256
Fax: (401) 521-4230

291 Promenade St.
Providence, RI 02908

Web Site:
<http://www.sec.state.ri.us/stdept/sd27>

Organization Description:

The Rhode Island Department of Environmental Management, Division of Water Resources, administers the Rhode Island Clean Water Act Environmental Trust Fund, which provides grants to businesses and other organizations seeking to prevent or abate water pollution. The Department also conducts engineering reviews, approves permit plans for wastewater facilities, and administers a grant program for municipalities.

Financing Resources Offered:

Grants

RI Clean Water Act Environmental Trust Fund

Pollution Prevention Grants Program

Grant Services: Rhode Island Clean Water Act Environmental Trust Fund

The Rhode Island Clean Water Act Environmental Trust Fund is funded through a bond issue authorized by the Rhode Island legislature, and administered by the Department of Environmental Management, Division of Water Resources. Its goal is to prevent or abate water pollution. In fiscal year 1997, 14 environmental grants were approved, totaling \$266,000. The initial bond issue provided for \$1.5 million in grantable funds, of which approximately \$700,000 is still available. This money will probably be exhausted in 1998, but the legislature may appropriate new funds for 1999 and subsequent years.

Eligibility

Project Types	Currently Eligible	Previous Projects?
Pollution Control	X	X
Pollution Prevention	X	X
Energy Efficiency		
Water Conservation	X	X
Waste Management/Recycling	X	X



Eligibility Criteria

Grants are available for businesses and non-profit organizations in Rhode Island to undertake projects that reduce water pollution or water use. Applications are ranked according to a scoring system that takes into account the potential benefit to the waters of the state, the value of the particular water resource being addressed, the severity of the pollution problem being addressed, and the applicant's readiness to proceed.

Guidelines

Parameter	Minimum	Maximum	Average
Grant Size	\$2,500	\$75,000	\$20,000
Percent Financed	No minimum	50%	50%

Once a grant is approved, DEM inspects the facility before and after project construction. Upon project completion the grantee must receive regulatory approval from all agencies with oversight authority. DEM then reimburses the grantee for 50% of the expenses up to the amount originally granted.

Application Process

Applicants must submit a statement of purpose, a statement of the environmental benefits expected, a project schedule and budget, and a statement of outstanding compliance violations. Applicants must agree to share any data derived from the project with all interested parties. Applicants are encouraged to contact program staff for assistance in preparing an application.

The legislature must approve the dispersal of funds annually, including money already in the Trust Fund. When funds become available from the legislature, DEM publishes a notice in the *Providence Journal* and notifies major wastewater treatment operators in Rhode Island. From this point, there is a 60-day application period. It can take 60 to 90 days to reach a decision once the application period closes. About 50% of the eligible projects are eventually funded.

Pollution Prevention Grants Program

The Rhode Island Department of Environmental Management, Office of Technical and Customer Assistance, has occasionally offered grants for pollution prevention and pollution control through the Hazardous Waste Reduction, Recycling, and Treatment Research and Demonstration Act of 1986. The intent of the Act is to promote the



State Agencies- Rhode Island
Rhode Island Department of Environmental Management

research, development, and expeditious demonstration of practical technologies with the potential to significantly reduce the volume or toxicity of hazardous wastes generated in Rhode Island, including wastes released to any environmental medium.

Private businesses, trade associations, and other organizations are eligible if they maintain an office or residence within the State of Rhode Island. Projects must have reduction of the mass of hazardous waste generated as their major goal in order to be eligible for funding. Grants range from \$30,000 to \$250,000.

This program was last offered in 1996, when 12 grants, totaling \$700,000, were awarded. No grants were awarded in 1997, and the Department does not expect to award grants under this program for several years.

To obtain more information on this program, or to find out when grant funds might be available again, contact Rich Girasole at (401) 277-4700.



State Agencies- Rhode Island
Rhode Island Economic Development Corporation

Contact Person: John Sheehan
Associate Director, Financial Services

Phone: (401) 277-2601
Fax: (401) 277-2102

1 West Exchange St.
Providence, RI 02903

Web Site: <http://www.riedc.com>

Organization Description:

The Rhode Island Economic Development Corporation (RIEDC) is a state-owned corporation dedicated to promoting a competitive business environment. It is governed by an appointed board of experienced businesspersons and the Governor. By partnering with the private sector, reducing regulatory and tax barriers, and targeting investment, RIEDC provides a host of business services.

Financing Resources Offered:

Loans

Small Business Loan Fund

Loan Services: Small Business Loan Fund

The Small Business Loan Fund helps those companies unable to obtain financing through conventional sources to create or retain jobs in Rhode Island. Environmental projects are eligible for lending under the loan fund, although in recent program years no environmental projects have been approved.

Eligibility

Project Types	Currently Eligible	Previous Projects?
Pollution Control	X	
Pollution Prevention	X	
Energy Efficiency	X	
Water Conservation	X	
Waste Management/Recycling	X	

Eligibility Criteria

Rhode Island for-profit firms in industrial or manufacturing industries qualified as small businesses under the guidelines of the Federal Small Business Administration may apply



for loans under the program. Loan approval criteria include the solvency of the business and its ability to repay the loan. Criteria for environmental loans are similar to the criteria for other business loans. Types of loan security accepted include an equity mortgage on the personal residence of the principal of the company, the purchased fixed assets, and liens on buildings.

Guidelines

Parameter	Minimum	Maximum	Average
Loan Size	\$10,000 for working capital; \$25,000 for fixed assets	\$30,000 for working capital; \$150,000 for fixed assets	\$65,000
Interest Rate	Fixed at Prime + 1% at time of closing		
Percent Financed	No minimum	100%	80%
Loan Term		5 years	4 years
Repayment schedule	Monthly payments		
Fee and Closing Costs	\$100 application fee Closing fee of about 1%, depending on legal expenses		

RIEDC provides fixed-rate loans for business development at a rate of Prime + 1% at the time of closing. The loan size guidelines differ depending on how the funds will be used. Fixed asset loans range from \$25,000 to \$150,000, while working capital loans range from \$10,000 to \$30,000. These guidelines will likely be revised in 1998 to allow larger loans. Loans can finance up to the full costs of the project. However, most borrowers pay for a portion of the project directly. There is a \$100 application fee, as well as a closing fee of approximately 1% of the value of the loan.

Application Process

The information required on the application includes a history of the business, income tax returns (personal and corporate), financial statements (including personal financial statement), business plan, a description of the project for which funding is sought, a listing of other sources of potential funding, environmental problems with the project site, and the type of employment generated by the project.



State Agencies- Vermont
Lake Champlain Basin Program (LCBP)-
Lake Champlain Basin Matching Grants Program for Pollution
Prevention

Contact Person: Lee Steppacher
Lake Champlain Coordinator

Phone: (617) 565-4883
Fax: (617) 565-4940

JFK Building
Boston, MA 02203

OR

Contact Person: Erik Perkins
Technical Coordinator

Phone: (800) 468-5227 or (802) 372-3213

54 West Shore Road
Grand Isle, VT 05458

Web Site:
<http://www.anr.state.vt.us/champ/welcome>

Organization Description:

The Lake Champlain Basin Program (LCBP) was established by the Great Lakes Critical Programs Act of 1990 to support development of a pollution prevention control and restoration plan for Lake Champlain and its basin. The EPA, with the states of New York and Vermont, administers the LCBP. Program funding is determined by a line item in EPA's budget, and varies from year to year.

Financing Resources Offered:

Grants

Grant Services:

The LCBP identified pollution prevention, with a particular focus on toxic substances, as one of the highest priorities in *Opportunities for Action: An Evolving Plan for the Future of the Lake Champlain Basin*. Grants awarded for Fiscal Year 1997 focused on projects that addressed toxic substances of concern as defined in the Plan. Examples of these substances are PCBs, mercury, arsenic, cadmium, and lead.

LCBP's Fiscal Year 1997 budget included a \$40,000 allocation for one or more pollution prevention projects within the Lake Champlain Basin.



State Agencies- Vermont
Lake Champlain Basin Program (LCBP)-
Lake Champlain Basin Matching Grants Program for Pollution
Prevention

Eligibility

Project Types	Currently Eligible	Previous Projects?
Pollution Control	X	X
Pollution Prevention	X	X
Energy Efficiency		
Water Conservation		
Waste Management/Recycling	X	X

Eligibility Criteria

Any qualified organization, institution, government agency, business, vendor or consultant located in the Lake Champlain drainage basin is eligible for grants under the LCBP.

Successful projects will: 1) build partnerships among existing organizations/industries in the Basin; 2) be transferable to other areas; and 3) include a public participation and education component. Additionally, pollution prevention projects should result in significant at-the-source reduction in pollutant generation. While each project does not have to include all of these elements, the more that are included the better. Project examples include process changes, pollution prevention training, technology transfers, and public education.

Guidelines

Parameter	Minimum	Maximum	Average
Grant Size	No minimum	Depends on size of budget	~\$10,000-20,000
Percent Financed	75%	75%	75%
Project Length		1 year	
Fee and Closing Costs	No fees		

Recipients of LCBP Pollution Prevention Grants receive funding for 75% of the total project costs from the grant. A matching contribution of 25% of the total project cost is required and may be either funds or in-kind services (including volunteer time). Budget proposals should clearly document the intended uses(s) and source(s) of such contributions. Federal funds may not be used as a source of matching funds.



State Agencies- Vermont
Lake Champlain Basin Program (LCBP)-
Lake Champlain Basin Matching Grants Program for Pollution
Prevention

Application Process

A Request for Proposals (RFP) is sent out by the LCBP in May. Applicants are given one month to respond. The information requested in the proposal includes: project title; statement of the problems, needs, or opportunities that the project will address; statement of project purpose and objectives; description of proposed tasks; description of intended measurable results and how these will be measured; anticipated project participants; budget describing the proposed use of federal funds and matching contributions; description of how results will be shared with the larger Basin audience; and a description of how success will be evaluated relative to the project's goals and objectives. The Pollution Prevention Grants are awarded on a competitive basis and no assistance is offered on the proposals. The applicant success rate is between 30-50%.

The LCBP takes one month to review the proposals. Criteria for evaluating proposals include the extent to which the project will implement toxic substances reduction actions identified in LCBP's *Opportunities for Action*; the transferability of results to other areas in the Lake Champlain Basin; the strength of the project's public participation and education components; the use of public/private partnerships; the degree of innovation and creativity in project design and implementation; the project's potential to result in measurable at-the-source reduction in pollutant generation; the clarity and conciseness of the proposal; and the qualifications of applicants.

Awardees are notified by August and a work plan is constructed within a couple of weeks. Final reviews are required for grant recipients and progress reports may be required.



**State Agencies- Vermont
Vermont Economic Development Authority**

Contact Person: Jo Bradley
Manager

Phone: (802) 828-5627
Fax: (802) 828-5474

58 E. State St.
Montpelier, VT 05602

Web Site:
<http://www.state.vt.us/dca/takstock/veda>

Organization Description:

The Vermont Economic Development Authority (VEDA) is an instrument of the State of Vermont, created to alleviate and prevent unemployment and underemployment and to raise the per capita income within the state. VEDA furthers these goals by financing, industrial, and agricultural expansion that otherwise might not be financed privately.

Financing Resources Offered:

Loans

Loan Services: Direct Loan Program

The Direct Loan Program (DLP) has been in operation since 1974. The goal of the program is to create jobs and stimulate economic activity in Vermont. Although environmental projects are eligible to receive loans through the program, no environmental loans were approved in the last program year. VEDA expects to have approximately \$10 million available for lending each year.

Eligibility

Project Types	Currently Eligible	Previous Projects?
Pollution Control	X	
Pollution Prevention	X	
Energy Efficiency	X	
Water Conservation	X	
Waste Management/Recycling	X	



Eligibility Criteria

Loans are available to industrial, commercial, and agricultural enterprises in Vermont, excluding housing and retail sale of out-of-state goods. The criteria considered include the number and quality of the jobs created by the project, the ability of the borrower to repay the loan, the amount of capital imported to Vermont as a result of the project, and how the project helps the business grow and become more profitable. Loans for environmental projects are evaluated using the same criteria as other business loans. Loans are primarily intended for investment in fixed assets and cannot be used to fund working capital. Types of loan security accepted include a security interest and fixed assets.

Guidelines

Parameter	Minimum	Maximum	Average
Loan Size	No minimum	\$300,000 for machinery and equipment, \$500,000 for real estate	
Interest Rate	VEDA's cost of funds		
Percent Financed	No minimum	40%	30%
Loan Term	5–7 years for machinery equipment, 10 years on real estate		
Repayment schedule	Monthly payments, no balloon Real estate loans use 15 year amortization with a balloon payment after 10 years		
Fee and Closing Costs	Application fee \$250 Closing fee of 2% of the value of the loan		

VEDA lends at a low interest rate that covers its cost of funds. The maximum loan amount and the loan term differ depending on how the funds will be used. VEDA will provide loans for machinery and equipment up to \$300,000 over a term of 5 to 7 years.

Application Process

The information required on the application includes a business plan, a description of the assets being financed, information on other participating lenders, historical financial statements, projected financial information, and personal financial statements from the owners of the company. VEDA staff will meet with prospective applicants to discuss financing options and determine whether a VEDA loan is appropriate. However, VEDA cannot assist in preparing the actual application. Applicants in need of assistance are advised to work with the state funded network of Small Business Development Centers



State Agencies- Vermont
Vermont Economic Development Authority

(SBDC'S) or other private business advisors. VEDA's board meets monthly to approve loans; pending applications submitted at least 3 weeks before a meeting will be considered at that meeting.



Utilities- Regional Bay State Gas Company

Contact Person: Paul Smith

Phone: (508) 836-7388

Fax: (508) 836-7074

300 Friberg Parkway
Westborough, MA 01581

Web Site: <http://www.bgc.com>

Organization Description:

Bay State Gas Company is, geographically, the largest gas utility in New England, serving about 302,000 natural gas customers in the states of Massachusetts, New Hampshire, and Maine.

Financing Resources Offered:

Financing Enhancements

Incentives (Massachusetts customers only)

Financing Enhancements / Incentive Services:

Bay State Gas Company offers financing enhancements by buying down interest rates to enable participating customers to finance any cost effective energy efficiency project at prime interest rates. In addition, Massachusetts customers will be eligible to receive incentives equal to half the incremental cost of high-efficiency equipment as opposed to standard efficiency equipment, with the remaining portion of the project eligible for a buy-down to prime rate financing.

Eligibility

Project Types	Currently Eligible	Previous Projects?
Pollution Control		
Pollution Prevention		
Energy Efficiency	X	X
Water Conservation		
Waste Management/Recycling		

Eligibility Criteria

All commercial and industrial Bay State Gas customers in New Hampshire and Massachusetts are eligible to receive an interest rate buy-down for a cost effective energy efficiency project. No financing is currently available to customers in Maine.



Guidelines

Parameter	Minimum	Maximum	Average
Financing Size	No minimum	\$100,000	\$30,000
Percent Financed	100%		
Application and Other Fees	No fees		

Application Process

Customers interested in obtaining prime rate financing should call Bay State to arrange for an energy audit. Bay State identifies cost effective projects and informs the customer what projects are eligible for prime rate financing and incentives. The customer is responsible for arranging financing directly with their own lender.



Utilities- Regional Eastern Utilities Associates

Contact Person: Tim Lee (RI customers)
Engineer

Phone: (508) 559-2000 ext. 3197
Fax: (508) 559-2759

OR

Contact Person: Ernie Robinson (MA
customers)

Phone: (508) 559-2000 ext. 3852
Fax: (508) 559-2759

PO Box 543
W. Bridgewater, MA 02379

Web Site: <http://www.eua.com>

Organization Description:

Eastern Utilities Associates is a Boston-based, diversified energy-services holding company. Utility subsidiaries- Blackstone Valley Electric, Eastern Edison, and Newport Electric- deliver electric service to nearly 300,000 customers in southeastern Massachusetts and northern and coastal Rhode Island.

Financing Resources Offered:

Rebates/Incentives

Commercial and Industrial Retrofit Program- Small and Medium Sized Firms

Commercial and Industrial Retrofit Program- Large Firms

Commercial and Industrial Construction Program

Rebate Services:

Eastern Utilities Associates (EUA) has been offering rebates to businesses for the past eight years under three categories: small and medium sized firms, large firms, and new construction. Each program has an annual rebate budget. Once the budget is used up, no more rebates are offered that calendar year. Interested customers will be notified at their time of inquiry as to the availability of rebates. EUA plans on offering rebates for another five years.



Eligibility

Project Types	Currently Eligible	Previous Projects?
Pollution Control		
Pollution Prevention		
Energy Efficiency	X	X
Water Conservation		
Waste Management/Recycling		

Commercial & Industrial Retrofit Program- Small and Medium Sized Firms

EUA offers rebates to its small and medium sized business customers to upgrade to energy efficient equipment such as energy efficient lighting and motors, air compressors, and HVAC systems. In addition to the rebates, financing is available for the remaining project costs.

Eligibility Criteria

Rebates are available to customers of EUA subsidiaries- Blackstone Valley Electric, Eastern Edison, and Newport Electric. Businesses with an annual peak demand of less than 500 kW are eligible to receive rebates for energy efficient electrically powered technologies. Lighting, building systems, motors, and HVAC measures are among the listed eligible measures. However, EUA will consider awarding a rebate for any proposed cost effective, efficient measures for electrically powered technologies.

Guidelines

Parameter	Minimum	Maximum	Average
Rebate Size	No minimum	\$60,000/customer	
Percent Financed- Rebate	No minimum	70%	~70%
Loan Size	No minimum	\$20,000	
Interest Rate	Prime rate		
Loan Term	18 Months	3 years	
Repayment schedule	Monthly payments		
Application and Other Fees	No fees		

Customers can receive rebates for energy efficient equipment up to \$60,000. The remaining costs to the customer can then be financed at the current prime rate. Financing is available up to \$20,000. The customer is billed separately each month for the financing.



Application Process

Interested customers should first call EUA for information. EUA sends out a contractor to conduct an energy audit of the place of business in order to identify opportunities for potential savings. The business then submits an application to EUA for the measures it wants to install. The information required on the application consists of basic customer information (name and address), account number, general building information, description of existing equipment, and what the business plans on installing. Assistance on the application is available if needed. Pre-approval is given within a week or two of receiving the application. Businesses may then install the measures at their convenience. After installation, EUA conducts a post-installation inspection to verify savings. Rebate checks are distributed within three weeks of the post-inspection.

Commercial & Industrial Retrofit Program- Large Firms

EUA offers rebates to its large business customers under this program to upgrade to high efficiency equipment such as energy efficient lighting and motors, air compressors, and HVAC systems.

Eligibility Criteria

Rebates are available to customers of EUA subsidiaries- Blackstone Valley Electric, Eastern Edison, and Newport Electric. Businesses with an annual peak demand greater than or equal to 500 kW are eligible to receive rebates for energy efficient electrically powered technologies. Lighting, building systems, motors, and HVAC systems are among the listed eligible measures. However, EUA will consider awarding a rebate for any proposed cost effective, efficient measures for electrically powered technologies.

Guidelines

Parameter	Minimum	Maximum	Average
Rebate Size	No minimum	\$100,000/customer	
Percent Financed	No minimum	50%	~50%
Application and Other Fees	No fees		

Customers can receive rebates for energy efficient equipment equaling 50% of the installed equipment costs, up to \$100,000.

Application Process

Interested customers should first call EUA for information. The business then submits an application to EUA with information regarding basic customer information (name and address), account number, general building information, description of existing equipment, and what the business plans on installing. Assistance is available on the application if needed. Pre-approval is given within a week or two of receiving the application.



Businesses may then install the measures at their convenience. After installation, EUA conducts a post-installation inspection to verify savings. Rebate checks are distributed within three weeks of the post-inspection.

Commercial And Industrial Construction Program

EUA offers rebates for high efficiency equipment in new construction projects under this program.

Eligibility Criteria

Rebates are available to customers of EUA subsidiaries- Blackstone Valley Electric, Eastern Edison, and Newport Electric. All new construction projects are eligible to receive rebates for energy efficient, electrically powered technologies. Lighting, building systems, motors, and HVAC system are among the listed eligible measures. However, EUA will consider awarding a rebate for any proposed cost effective, efficient measures for electrically powered technologies.

Guidelines

Parameter	Minimum	Maximum	Average
Rebate Size	No minimum	No maximum	
Percent Financed	100% of incremental cost		
Application and Other Fees	No fees		

Customers can receive rebates for energy efficient equipment equivalent to the full incremental cost of the efficient equipment over standard equipment.

Application Process

Interested customers should first call EUA for information. Businesses then submit an application to EUA consisting of basic customer information (name and address), account number, general building information, and a description of the high efficiency equipment to be installed. Pre-approval is given within a week or two of receiving the application. After installation, EUA conducts a post-installation inspection to verify the efficient measures were installed. Rebate checks are distributed within three weeks of the post-inspection.



Utilities- Regional New England Electric System

Contact Person: Mike Neptune
Finance Program Manager

Phone: (508) 389-2580
Fax: (508) 366-6551

OR

Contact Person: Kathy Yetman
Small C&I Program Manager

Phone: (508) 389-2412
Fax: (508) 366-6551

25 Research Drive
Westborough, MA 01582

Web Site: <http://www.nees.com>

Organization Description:

The New England Electric System (NEES) companies generate, transmit, distribute, and sell electric energy, serving 1.3 million customers in Massachusetts, Rhode Island, and New Hampshire. NEES business activities include independent transmission projects, telecommunications, and energy marketing. NEES is currently in the process of selling their generating business as part of a regional restructuring of the electric industry.

The NEES companies-- Massachusetts Electric, Narragansett Electric, and Granite State Electric-- provide a broad range of energy programs and services for commercial, industrial, and municipal customers who want to use energy to their strategic advantage. Through NEES programs and services, customers can find energy solutions that will lower operating costs, improve productivity, and build a competitive edge. NEES has been providing energy efficiency programs to its commercial and industrial customers since 1987.

Financing Resources Offered:

Rebates/Incentives

Small Commercial and Industrial Program

Equipment Leasing



Rebate/Incentive Services: Small Commercial and Industrial Program

The Small Commercial and Industrial (C&I) Program in Massachusetts, New Hampshire, and Rhode Island is tailored to the needs of smaller businesses whose average monthly demand is less than 100 kW. It focuses on energy efficient lighting and low-cost refrigeration measures. Under the program, 1,575 customers in Massachusetts installed energy efficient equipment through the first half of 1997. The budget for Massachusetts in 1997 was \$10.5 million. In Rhode Island, 363 incentives were given through the first half of 1997. Rhode Island's 1997 budget was \$2.2 million. In New Hampshire, 61 incentives were awarded through the first half of 1997. New Hampshire's budget for 1997 was \$400,000. NEES will continue to offer the Small Commercial and Industrial Program for at least another five years, but the budget for each state is expected to decrease during this time period.

Eligibility

Project Types	Currently Eligible	Previous Projects?
Pollution Control		
Pollution Prevention		
Energy Efficiency	X	X
Water Conservation		
Waste Management/Recycling		

Eligibility Criteria

Firms in NEES's service territory with an average monthly demand of less than 100 kW are eligible to receive funding through the Small C&I Program for high-efficiency lighting, photo cells for outdoor lighting, efficient walk-in coolers, energy efficient timeclocks, programmable thermostats, and occupancy sensors. The funds are administered through the utilities within NEES's service territory -- Massachusetts Electric Company, Narragansett Electric Company, and Granite State Electric Company.



Utilities- Regional New England Electric System

Massachusetts Customers:

Guidelines

Parameter	Average
Incentive Size	80% of total equipment & labor costs
Interest Rate	Interest free
Percent Financed	100% of remaining costs
Loan Term	Up to 2 years
Repayment schedule	Monthly payments
Application and Other Fees	No fees

Massachusetts Electric Company pays for 80% of the total costs to upgrade to energy efficient equipment. The remaining 20% customer co-pay can be financed, interest free, for up to 24 months. The monthly payments appear as a line item on the customer's electricity bill. The customer will receive an additional 15% discount if they choose to pay their portion in one lump sum.

Application Process

Interested customers should call 1-800-332-3333 or e-mail smci@neesnet.com to obtain more information. Massachusetts Electric sends someone to the place of business to audit the site. The auditor sends the customer a proposal based on their findings. Massachusetts Electric will pay for 80% of the total cost of the job, but the customer must use Massachusetts Electric's labor and materials for supported projects.

Rhode Island Customers:

Guidelines

Parameter	Average
Incentive Size	70% of total equipment & labor costs
Interest Rate	Interest free
Percent Financed	100% of remaining costs
Loan Term	Up to 2 years
Repayment schedule	Monthly payments
Application and Other Fees	No fees

Narragansett Electric Company pays for 70% of the total costs to upgrade to energy efficient equipment. The remaining 30% customer co-pay can be financed, interest free, for up to 24 months. The monthly payments appear as a line item on the customer's



electricity bill. An additional 15% is discounted from the customer's portion if it is paid in one lump sum.

Application Process

Interested customers should call 1-800-332-3333 or e-mail smci@neesnet.com to obtain more information. Narragansett Electric sends someone to the place of business to audit the site. The auditor sends the customer a proposal based on their findings. Narragansett Electric will pay for 70% of the total cost of the job, but the customer must use Narragansett Electric's labor and materials for supported projects.

New Hampshire Customers:

Guidelines

Parameter	Average
Incentive Size	100% of total equipment & labor costs
Application and Other Fees	No fees

Granite State Electric Company pays for 100% of the total costs to upgrade to energy efficient equipment.

Application Process

Interested customers should call 1-800-332-3333 or e-mail smci@neesnet.com to obtain more information. Granite State Electric sends someone to the place of business to audit the site. The auditor sends the customer a proposal based on the audit findings. Granite State Electric will pay the total project costs, but the customer must use Granite State Electric's labor and materials for supported projects.

Equipment Leasing Services:

Massachusetts Electric (MECo), Narragansett Electric (NECo), and Citicorp Leasing (Citicorp) developed a financing program that aims to help businesses pay for energy efficient equipment. Energy efficient equipment can be purchased under lease financing and payments can be made with the savings realized through the reduction in energy consumption. In many instances, savings are greater than lease payments, thereby generating positive cash flows, even during the term of the lease. (Note: Savings are not guaranteed.)



Utilities- Regional New England Electric System

Eligibility

Project Types	Currently Eligible	Previous Projects?
Pollution Control		
Pollution Prevention		
Energy Efficiency	X	X
Water Conservation		
Waste Management/Recycling		

Eligibility Criteria

Large business customers (average monthly demand greater than 100 kW) of Massachusetts Electric Company and Narragansett Electric Company are eligible to receive financing under this joint leasing program.

Guidelines

Parameter	Minimum	Maximum	Average
Lease Size	\$5,000	\$4,000,000	
Interest Rate	Competitive rates, fixed over the lease term		
Percent Financed	100%		
Lease Term	2 years	7 years	
Repayment schedule	Monthly payments		
Application and Other Fees	\$1.00 end of lease purchase option		

Application Process

Interested customers should contact 1-800-332-3333 or their Account Representative to obtain more information. Required application information includes customer demographics, guarantor information, project/equipment description, project cost, desired lease term (years), and an estimated completion date.



Utilities- Regional Northeast Utilities Service Company

Contact Person: Michael Townsley
Rebates/ Incentives

Phone: (800) 286-5000 or (860) 665-2338
Fax: (860) 665-2971

OR

Contact Person: To be Determined
Equipment Leasing

Phone: (800) 286-5000
Fax: (860) 665-2919

PO Box 270
Hartford, CT 06141

Web Site: <http://www.nu.com>

Organization Description:

Northeast Utilities is an electric utility holding company that serves about 1.7 million customers through its operating subsidiaries in Connecticut, western Massachusetts and New Hampshire. It is New England's largest electric utility system and one of the 20 largest in the United States of America.

Financing Resources Offered:

Equipment Leasing

Rebates/Incentives

Equipment Leasing Services:

Via a third party financier, Northeast Utilities offers its Connecticut Light & Power customers ways to acquire or lease energy efficient equipment in order to improve business productivity, processes, and profitability. Through a customized financing program, Northeast Utilities offers a combination of technical and financial solutions to help make businesses more competitive by lowering operating and capital costs. Since most energy efficient improvements pay for themselves, Northeast Utilities' program is designed to assist customers in structuring their financing requirements to match their cash flow needs. In most cases, lease payments are made directly to the financial services provider.

There is no limit as to the amount of leases provided to CL&P customers. In the past year, 5-6 leases were awarded, totaling approximately \$1 million.



Eligibility

Project Types	Currently Eligible	Previous Projects?
Pollution Control		
Pollution Prevention		
Energy Efficiency	X	X
Water Conservation		
Waste Management/Recycling		

Eligibility Criteria

Commercial, industrial, governmental and municipal customers of Connecticut Light & Power are eligible to take part in the equipment leasing program.

Guidelines

Parameter	Minimum	Maximum	Average
Lease Size	\$10,000	No maximum	~\$50,000
Interest Rate	Competitive rates		
Length of Lease	3 years	10 years	5 years
Repayment schedule	Normalized, fixed monthly payments		
Application or other fees	No fees		

Application Process

To apply for the equipment leasing program, a customer first submits an application complete with financials for review (e.g., historical financial statements, personal financial statements of firm executives, business plan). Northeast Utilities, through its financial services, processes the application and conducts an initial credit screening.

If the applicant passes the credit screening, Northeast Utilities will contact the business to discuss needs and establish a customized solution. (For example, Northeast Utilities will determine if there are applicable energy efficiency incentives which can be used to generate additional energy savings.) A project specific proposal is then developed and submitted to the applicant for review and approval.



Rebate Services:

Northeast Utilities offers rebates for energy efficient equipment to its Connecticut Light & Power (CL&P) customers and to its Western Massachusetts Electric Company (WMECO) customers. In 1996, Northeast Utilities awarded rebates to 2,000 customers, totaling \$25-28 million. In 1997, Northeast Utilities expects to award \$25-28 million in rebates. Rebates are also expected to be offered in 1998.

Eligibility

Project Types	Currently Eligible	Previous Projects?
Pollution Control		
Pollution Prevention		
Energy Efficiency	X	X
Water Conservation		
Waste Management/Recycling		

Eligibility Criteria

Rebates for lighting measures are specifically targeted to small and medium sized customers, those whose average peak demand is 100 kW or less. All commercial and industrial customers are eligible to receive incentives for other measures including HVAC equipment, refrigeration, and process equipment.

Guidelines

Parameter	Minimum	Maximum	Average
Rebate Size	No minimum	No maximum	~\$10,000-20,000
Percent Financed	25%	100% of incremental costs	
Application and Other Fees	No fees		

For new construction projects, Northeast Utilities offers rebates up to 100% of the incremental costs of the efficient equipment over standard equipment.

For larger retrofit projects, an engineering study is performed before any measures are installed. This study is begun within days of initial contact with Northeast Utilities and can last anywhere from a couple of months to a year. The customer may be asked to pay for 50% of the study, but will be reimbursed if they install the measures suggested by the engineering study. After the engineering study is complete, an agreement is reached as to



Utilities- Regional Northeast Utilities Service Company

what measures will be installed and how payments will be scheduled. This can take another 6 months to a year. Payments are made after the efficient measure(s) has been installed and is operating.

Application Process

Interested customers first call Northeast Utilities. Required application information includes company demographics, contact person, and sufficient project details to determine if the improvements will be cost effective (e.g., equipment being installed and replaced, quantities, and prices). A representative from Northeast Utilities' Load Management Department works with the customer in filling out the application.

For smaller projects, such as lighting upgrades, invoices for any completed work should be sent along with the application. Applications are processed once a month. Businesses can expect to receive a check within 2-6 weeks after sending in the application.



Utilities- Connecticut United Illuminating Company

Contact Person: Roy W Haller
Program Administrator

Phone: (203) 499-2025
Fax: (203) 499-3611

157 Church St.
PO Box 1564
Mail Stop 1-6 C
New Haven, CT 06506

Web Site: <http://www.uinet.com>

Organization Description:

United Illuminating Company (UI) services western Connecticut with electric power. They have over 300,000 customers and sell over 5 million kWh annually. UI's Small Business Advantages Program is designed to make energy efficiency improvements a profitable investment for businesses by shortening the payback period of electric conservation measures.

Financing Resources Offered:

Rebates/Incentives

Small Business Advantage Program

Rebate/Incentive Services: Small Business Advantage Program

UI maintains a list of approved vendors who have agreed to work with the Small Business Advantage Program. The vendor works directly with the customer to analyze their needs and make the appropriate recommendations. The proposals and workmanship are subject to UI approval and inspections. Small business customers are eligible to receive the benefits of cash subsidies and financing.

UI awarded 262 leases/incentives in 1996, totaling \$500,000. They expected the same level of program spending in 1997.



Eligibility

Project Types	Currently Eligible	Previous Projects?
Pollution Control		
Pollution Prevention		
Energy Efficiency	X	X
Water Conservation		
Waste Management/Recycling		

Eligibility Criteria

Customers can participate in UI's Small Business Advantages Program if their annual average peak demand is 50 kW or less and they are not a governmental agency or part of a national chain. The Small Business Advantages program focuses on sole proprietorship type businesses. Subsidies and financing are available for all approved electric measures.

Guidelines

Parameter	Minimum	Maximum	Average
Incentive Size	\$5	\$30	\$600-700/ project
Percent Financed	100% of remaining costs after incentive		
Interest Rate	Interest free		
Financing Term		2 years	1 year
Repayment schedule	Monthly		
Application or Other Fees	12% of project costs for financing over 1 year		

Subsidies for individual lighting measures range from \$5 (for specific compact fluorescent lamps, reflector spots, and other smaller measures) to \$30 (for LED exit signs). Subsidy amounts for electric measures other than lighting vary and are determined on an individual basis. For each individual measure, UI will subsidize up to \$0.12/kWh saved. Actual amounts vary and are determined on an individual basis. One hundred percent of the remaining costs after the incentive can be financed as long as the customer has an approved payment history. Financing is interest free and monthly payments appear on the customer's electric bill as a separate line item. However, there is a processing fee equal to 12% of the total project costs added for those customers wishing to finance a project for longer than 12 months. The maximum repayment plan is 24 months. If the customer elects not to finance, then they pay the full amount to the contractor, and receive a rebate check directly from UI.

Application Process

Interested customers should first contact UI to inquire about this program. The customer is referred to one of the approved vendors for an energy analysis. After the energy analysis



Utilities- Connecticut United Illuminating Company

is performed, the chosen vendor presents the customer with a cost/benefit analysis of different options for implementation. The customer signs a binding contract with the vendor. UI performs pre- and post-installation inspections and signs a financial agreement with the customer. The agreement between the customer and vendor is the primary contract.



Utilities- Maine Bangor Hydro-Electric Company

Contact Person: Mark Colca
Marketing Services Specialist

Phone: (207) 973-2671
Fax: (207) 941-8977

P.O. Box 932
Bangor, ME 04401-0932

Web Site: <http://www.bhe.com>

Organization Description:

Bangor Hydro-Electric Company (BHE) has been serving the electric needs of its customers in east and east coastal Maine for over 70 years. Growing through the merger and acquisition of smaller hydro electric companies, BHE was incorporated in 1924 and today provides electric power to more than 110,000 residents across a territory of over 4,900 square miles.

Financing Resources Offered:

Rebates/Incentives

Commercial Lighting Incentive Program

Private Energy Service Company Efficient Lighting Project Program

Rebate/Incentive Services:

Non-residential customers can receive incentives from BHE for lighting projects under one of two programs. BHE provides customers with direct rebates under the Commercial Lighting Incentive Program and indirect incentives under the Private Energy Service Company Efficient Lighting Project Program.

Commercial Lighting Incentive Program

BHE offers direct rebates to its non-residential customers through the Commercial Lighting Incentive Program (CLIP). The rebates are specifically for lighting projects.

BHE maintains a list of qualified CLIP vendors. Participants can purchase equipment for installation by in-house or third party contractors, or arrange for direct installation by the vendor. Twenty-six rebates were granted in 1996, totaling roughly \$35,500. By the end of the program year for 1997, BHE expected to provide \$12,000 to \$15,000 of rebates. BHE plans to continue with the CLIP as an on-going energy efficiency service offered for its customers in the years ahead.



Utilities- Maine Bangor Hydro-Electric Company

Eligibility

Project Types	Currently Eligible	Previous Projects?
Pollution Control		
Pollution Prevention		
Energy Efficiency	X	X
Water Conservation		
Waste Management/Recycling		

Eligibility Criteria

To participate in CLIP, a company must be a customer of BHE taking service under the B-1, D-1, D-2, D-3, or D-4 rate classes, and own, or be a tenant in a commercial or industrial building used for business, governmental, or non-profit activity. New construction and buildings constructed twelve or fewer months prior to date of application are not eligible.

CLIP is structured to ensure sufficient data collection for determining the Program's cost-effectiveness. Therefore, CLIP participants are expected to cooperate with data collection relating to marketing research and program evaluation. Data collected for these purposes include information on electricity end uses, including lighting efficiency, and the effectiveness of incentives in influencing investment decisions.

The lighting measures currently on BHE's rebate schedule include high intensity discharge (H.I.D.) lamps, fluorescent and LED exit signs, compact fluorescent lamps, hard-wired circuline fixtures, and occupancy sensors.

Guidelines

Parameter	Minimum	Maximum	Average
Incentive Size	\$50	\$10,000	\$2,100
Percent Financed		100%	~50%
Fee and Closing Costs	No fees		

The total incentive granted to any single business, governmental or non-profit entity has to be more than \$50 and no more than \$10,000. The incentive amounts in CLIP for pre-selected lighting measures are fixed and range from \$5 for a single compact fluorescent fixture to \$50 for an LED exit sign.



Application Process

Application forms can be obtained directly from BHE or from qualified vendors. The application process varies according to project size. If the total rebates anticipated for a CLIP project total less than \$500, pre-approval is not required. The participant, or the vendor they are working with, fills out an application containing account number, address, contact person name, federal ID number, new lamp wattage, old lamp wattage, hours/year of run time, the number of fixtures being changed, and the rebate amount being requested. The application is sent in along with copies of the receipts for the installed measures. Rebates are generally sent out within 2-3 weeks after receipt of the application.

For rebate requests over \$500, pre-approval is required. For pre-approval, an application with the above information is sent to BHE along with an estimated project invoice and a description of the equipment being removed. Once approval is granted, the project can proceed at the company's convenience. When all measures have been retrofitted, the application is re-submitted along with the actual invoices, and the rebates are processed, generally within 2-3 weeks.

Applicants can get assistance with the application from the CLIP program vendors. The vendors are thoroughly familiar with the program's application and procedure requirements, and can often fill out the application for the customer.

Private Energy Service Company Efficient Lighting Project Program

Bangor Hydro-Electric offers indirect rebates through a third-party contractor, Noresco, under the Private Energy Service Company Efficient Lighting Project Program (PESCO). BHE is in its second contract with Noresco, and has offered to pay for a portion of the costs associated with total savings of 2 million kWh a year. Based on current avoided costs, this is equivalent to \$305,000 in payments a year from BHE to Noresco.

BHE refers interested customers to Noresco. Noresco can also seek out BHE customers with low efficiency lighting and offer them a high efficiency lighting package which is financially feasible. Anticipated savings from the project are determined jointly between the customer, Noresco, and BHE. BHE pays Noresco based on the avoided costs of the project. The portion BHE pays is based on the Net Present Value of a 10-year stream of avoided costs. The customer pays Noresco the remaining costs of the project. For any particular project, Noresco cannot charge more than the total avoided costs for that project.



Utilities- Maine Bangor Hydro-Electric Company

Through the first three quarters of 1997, 12 rebates were awarded through Noresco and BHE, totaling approximately \$92,500. BHE expects to make payments to Noresco up to their contracted maximum of \$305,000 by the end of the year.

Eligibility

Project Types	Currently Eligible	Previous Projects?
Pollution Control		
Pollution Prevention		
Energy Efficiency	X	X
Water Conservation		
Waste Management/Recycling		

Eligibility Criteria

Non-residential customers who are being served on a standard rate schedule are eligible to participate in this program. A standard rate schedule is one that does not include any special pricing or other customer incentive features. This program provides assistance for companies wishing to purchase energy efficient lighting systems.

Guidelines

Parameter	Minimum	Maximum	Average
Incentive Size	No minimum	\$305,000/year	\$6-8,000/project
Percent Financed		72%	~72%
Fee and Closing Costs	No fees		

BHE will pay Noresco a maximum of \$305,000 a year. For an individual project, BHE pays 72% of the avoided costs of the project. Noresco cannot charge more than the total avoided costs of the project. The customer is then ultimately responsible for only 28% of the cost of the project, which it pays to Noresco. Noresco may or may not offer financing for this part.

Maintenance and operation of the measures are not provided in the contract. Customers own the measures at the start of the project.

Application Process

Interested applicants should contact Noresco directly. Noresco handles the administrative process for BHE. Contact the BHE representative listed above for information on how to contact Noresco.



Utilities- Maine
Bangor Hydro-Electric Company



Utilities- Massachusetts Berkshire Gas Company

Contact Person: Michael Sommer
Supervisor of Conservation and Load
Management

Phone: (413) 445-0315 or (800) 292-5019
Fax: (413) 445-0359

115 Cheshire Rd.
Pittsfield, MA 01201

Web Site:
<http://www.naturalgas.com/berkshiregas/>

Organization Description:

Berkshire Gas has been serving the energy needs of western Massachusetts for more than 140 years. Today they provide natural gas service to 19 cities and towns in Massachusetts with a combined population of 190,000. The Berkshire Propane Division serves 107 communities over a 5,000 square miles territory in western Massachusetts and eastern New York.

Financing Resources Offered:

Grants

Grant Services:

Berkshire Gas has been providing grants for energy efficient equipment since 1992, in order to help Berkshire Gas reduce long term gas supply costs and to help their customers use natural gas more efficiently. Their programs are designed to cost less than the price of gas their customers would have used without conservation. Berkshire Gas awarded 200 grants in 1996, totaling \$560,000. Similar numbers are expected for 1997. The Massachusetts Department of Public Utilities has given approval for Berkshire Gas to continue to award grants at least until October 1, 1998.



Eligibility

Project Types	Currently Eligible	Previous Projects?
Pollution Control		
Pollution Prevention		
Energy Efficiency	X	X
Water Conservation		
Waste Management/Recycling		

Eligibility Criteria

Commercial and industrial customers who have been served by Berkshire Gas for at least one year, are eligible to receive grants. Small and medium sized commercial and industrial customers (Rate Codes G41, G42, G51, and G52) are eligible to receive assistance for measures drawn from a prescriptive list including boilers, insulation, and setback thermostats. Large commercial and industrial customers (Rate Codes G43 and G53) can receive grants for measures that are deemed cost-effective through an engineering study.

Guidelines

Parameter	Minimum	Maximum	Average
Grant Size (small and medium customers)	No minimum	\$15,000	~\$5-6,000
Grant Size (large customers)	No minimum	\$30,000-\$50,000	
Percent Financed	50%		
Application and Other Fees	No fees		

The current guidelines allow small and medium sized customers to receive grants up to \$15,000. However, large customers receiving gas under Rate Code G53 are eligible for grants up to \$30,000 and those receiving service under Rate Code G43 can receive grants up to \$50,000. The average grant size for small and medium sized customers is between \$5,000 and \$6,000. Berkshire Gas does not have many large customers, and has only given out a few grants to the G53 and G43 rate class customers.

Application Process

Interested customers should call Berkshire Gas or its engineering contractor, ARIS, toll free at (800) 720-2747 and ask for the Berkshire Gas Commercial Program. For small and medium customer grant applicants, Berkshire Gas will send a contractor from ARIS to the site within two weeks of initial contact to perform an audit. Based on the initial audit results, ARIS will send two or three equipment contractors to the site to bid on the identified measures. The auditor's final recommendations to the customer are based upon



Utilities- Massachusetts Berkshire Gas Company

these bids. The customer can then choose which cost effective measures they want implemented and select from the contractors who submitted bids. Berkshire Gas pays for 50% of the costs of the installed measures upfront. The total project length depends on the number and extent of the efficient measures to be installed. Typically, total project length is around four to eight weeks. Large commercial and industrial customers must have an engineering study completed to identify cost effective measures eligible for grant support. Interested parties should contact Berkshire Gas directly for more information on the format and requirements for the engineering studies.



**Utilities- Massachusetts
Boston Edison Company- Energy Conservation Services
Department**

Contact Person: Pilar Keyes
Senior Supervising Engineer

Phone: (617) 424-3623
Fax: (617) 424-2431

Mail Box Number 1706
800 Bolyston St.
Boston, MA 02199

Web Site: <http://www.bedison.com>

Organization Description:

Boston Edison Company (BECo) offers cost effective energy-efficiency programs and products designed to help their business customers save money, energy and the environment. BECo provides assistance to smaller customers whose average monthly demand is less than 150 kW as well as customers whose average monthly demand exceeds 150 kW. In all cases, BECo aims to help their business customers become more energy efficient and profitable.

Financing Resources Offered:

Rebates/Incentives

Large Commercial & Industrial Retrofit Program
Commercial & Industrial Lost Opportunity Program
Small Commercial & Industrial Retrofit Program

Rebate/Incentive Services:

BECo offers rebates to commercial and industrial customers through three programs: the Large Commercial & Industrial (C/I) Retrofit Program, the Commercial & Industrial (C/I) Lost Opportunity Program, and the Small Commercial & Industrial (C/I) Retrofit Program. The goal of the programs is to achieve a certain level of kWh savings a year. When this level is achieved, the respective program is complete for the year. Rebates through the Large C/I Program will be offered through April 1998, with a goal of saving 3 million kWh. Rebates through the C/I Lost Opportunity Program will be offered through April 1999, with a goal of saving 2.5 million kWh each program year.



**Utilities- Massachusetts
Boston Edison Company- Energy Conservation Services
Department**

Eligibility

Project Types	Currently Eligible	Previous Projects?
Pollution Control		
Pollution Prevention		
Energy Efficiency	X	X
Water Conservation		
Waste Management/Recycling		

Large C/I Retrofit Program

Eligibility Criteria

Under this program, BECo offers rebates to customers who want to implement a range of retrofit measures. Qualified equipment types include lighting systems, HVAC systems, motor systems, compressors, and controls. This program is available for BECo customers with an average monthly demand of greater than 150 kW and who operate more than 12 hours a day.

Guidelines

Parameter	Maximum	Average
Percent Financed	30%	30%
Fee and Closing Costs	No fees	

Application Process

Interested customers should call BECo to schedule a facility audit for lighting jobs, or a design review of proposed work for mechanical jobs. BECo submits a proposal to the customer for work to be done, including a preliminary incentive figure. Upon customer approval, contracts are signed and preliminary measurement and verification data is collected before installations begin. After all retrofits are completed, the customer is paid the incentive. BECo performs two years of measurement and verification to ensure energy savings.

C/I Lost Opportunity Program

Eligibility Criteria

BECo customers who anticipate a new construction, major renovation or equipment replacement project can receive rebates under the C/I Lost Opportunity Program. Customers can receive rebates for lighting measures, HVAC measures, motors, and



Utilities- Massachusetts
Boston Edison Company- Energy Conservation Services
Department

miscellaneous measures such as compressors, controls, etc. There are no firm size or average monthly kW demand restrictions.

Guidelines

Parameter	Minimum	Maximum	Average
Incentive Size	\$5/fixture (lighting) \$65 (motors)	\$25/fixture (lighting) \$275 (motors)	
Percent Financed		50% of incremental costs (for HVAC and misc. measures)	50% (for HVAC and misc. measures)
Fee and Closing Costs	No fees		

Under the C/I Lost Opportunity Program, BECo will pay up to 50% of the incremental cost of high efficiency HVAC and miscellaneous measures. The incremental cost is the difference between the cost of the base efficiency equipment and the high efficiency equipment. The customer pays the remaining 50%. For lighting measures and motors, BECo awards incentives according to a prescriptive list. The maximum lighting incentive is for LED exit signs- \$25/fixture. The incentives for motors range from \$65 to \$275, depending on the size of the motor. Lost Opportunity Program rebates are awarded on a first-come, first-serve basis.

Application Process

To receive a rebate, the customer first calls BECo and is sent an application. The customer sends in the application-- which includes name, address and account number-- along with a copy of the purchase order/invoice of the measures to be installed. The rebate is awarded once the measure(s) has been installed.

Small Commercial And Industrial Retrofit Program

BECo plans to help over 200 small businesses in 1997 by offering up-front incentives through the Small C/I Retrofit Program. BECo will contribute up to 50% of the *total costs* of lighting efficiency improvements, which includes all construction, administrative, verification, and overhead costs. BECo plans to save nearly 3.5 million kWh by April 1997 and nearly 2 million kWh between April 1997 and April 1998. All retrofits are performed by BECo's partner, Honeywell-DMC Inc.



**Utilities- Massachusetts
Boston Edison Company- Energy Conservation Services
Department**

Eligibility Criteria

The Small C/I Retrofit Program is for customers who want to install high efficiency lighting measures, and who have enough run-hours to make the lighting retrofits cost effective. BECo customers with an average monthly demand of 150 kW or less are eligible to receive incentives through this program.

Guidelines

Parameter	Maximum	Average
Percent Financed	50%	20-30%
Fee and Closing Costs	No fees	

BECo will contribute up to 50% of the total project costs. The actual amount BECo will contribute for an individual project is determined by a formula which takes into account such factors as kW saved, dollars saved, and operating hours.

Application Process

To participate in the Small C/I Retrofit Program, a customer can call BECo, who puts the customer in touch with their partner, Honeywell-DMC, or the customer can call Honeywell-DMC directly. Honeywell-DMC conducts a site audit within 1-2 weeks. They audit the customer's run-hours and determine what measures can be installed. A cost-effectiveness test is performed to determine if the customer's energy savings are high enough to allow the customer to realize a payback of around 2 years. If the project passes the cost-effectiveness test, the efficient measures are installed 3-4 weeks after the audit. Metering of the installed measures is performed to determine actual kWh savings.



Utilities- Massachusetts Boston Gas Company

Contact Person: James White
Program Engineer

Phone: (617) 723-5512, ext. 4361
Fax: (617) 469-9315

201 Rivermoor St.
West Roxbury, MA 02132

Web Site:
<http://www.naturalgas.com/bostongas>

Organization Description:

Boston Gas Company, established in 1822, is New England's largest distributor of natural gas. The company delivers natural gas energy to more than 500,000 residential, commercial, and industrial customers in 74 Massachusetts communities located in eastern and central Massachusetts. Boston Gas Company is a wholly-owned subsidiary of Eastern Enterprises, a holding company located in Weston, Massachusetts.

Financing Resources Offered:

Rebates/Incentives

High Efficiency Heating Rebate Program

Rebate/Incentive Services:

Boston Gas will be offering rebates for energy efficient boilers and furnaces through the High Efficiency Heating Rebate Program. Rebates will be available in 1998, but details were not set at the time of publication.

Eligibility

Project Types	Currently Eligible	Previous Projects?
Pollution Control		
Pollution Prevention		
Energy Efficiency	X	X
Water Conservation		
Waste Management/Recycling		

Eligibility Criteria

Rebates will be available for all Boston Gas commercial and industrial customers who install high efficiency condensing boilers or furnaces.



Utilities- Massachusetts Boston Gas Company

Guidelines

Parameter	Minimum	Maximum	Average
Rebate Size			
Percent Financed	Details have not yet been set		
Application and Other Fees			

Application Process

To participate in this program, interested customers should call the listed contact person or (800) 843-3636.



Utilities- Massachusetts Colonial Gas Company

Contact Person: Matt Bedard
Manager of DSM Programs

Phone: (800) 548-8000
Fax: (978) 446-0577

40 Market St.
Lowell, MA 01852

Organization Description:

Colonial Gas Company serves residential, commercial, and industrial customers located in 24 municipalities located northwest of Boston in the Merrimack Valley and on Cape Cod.

Financing Resources Offered:

Rebates/Incentives

Rebate Services:

Colonial Gas has offered subsidies in the past, as part of their DSM Programs, to encourage the installation of energy efficiency technologies. The subsidies were equal to at least 50% of the total installed cost of the energy efficient technology. The DSM programs are expected to change dramatically by the end of 1997. Colonial Gas is currently participating in a natural gas market transformation collaborative that is reviewing rebate programs and working to develop a consistent state-wide program for promoting efficient natural gas technologies.

Eligibility

Project Types	Currently Eligible	Previous Projects?
Pollution Control		
Pollution Prevention		
Energy Efficiency	X	X
Water Conservation		
Waste Management/Recycling		

Eligibility Criteria

Although details of the market transformation collaborative program are not finalized, all commercial customers are expected to be eligible for rebates on heating system efficiency



upgrades that exceed program efficiency standards. These parameters have not yet been defined.

Guidelines

Parameter	Minimum	Maximum	Average
Rebate Size			
Percent Financed	Details have not yet been set		
Fee and Closing Costs			

Application Process

Customers wishing to inquire about the latest details on rebates and other potential assistance for improving natural gas end-use efficiency equipment should call Colonial's Customer Service Department at (800) 548-8000.



Utilities- New Hampshire Public Service New Hampshire

Contact Person: Randal Dixon
Senior Engineer

Phone: (603) 634-2292 or (800) 662-7764
Fax: (603) 634-2449

PO Box 330
Manchester, NH 03105

Web Site: <http://www.psnh.com>

Organization Description:

Public Service of New Hampshire (PSNH) is the Granite State's largest electric utility, providing service to more than 400,000 homes and businesses. With three fossil fuel-fired generating plants and nine hydroelectric facilities, PSNH has over 1,110 megawatts of generating capacity. As a wholly-owned subsidiary of Northeast Utilities, a utility holding company based in Connecticut, PSNH is part of New England's largest electric system.

Financing Resources Offered:

Rebates/Incentives

Rebate/Incentive Services:

PSNH expects to offer incentives to its small, medium and large sized business customers in 1998 as part of a comprehensive, audit based, energy efficiency program. The incentives are proposed for the installation of corrective energy conservation measures (pending the approval of the New Hampshire's Public Utility Commission). PSNH will perform energy audits to identify and recommend energy efficient measures, with incentives likely to be offered for some measure categories.

Eligibility

Project Types	Currently Eligible	Previous Projects?
Pollution Control		
Pollution Prevention		
Energy Efficiency	X	X
Water Conservation		
Waste Management/Recycling		

Eligibility Criteria

PSNH business customers with an annual peak electric demand less than 250 kW will be eligible for audits and incentives.



Utilities- New Hampshire Public Service New Hampshire

Guidelines

Parameter	Minimum	Maximum	Average
Rebate Size			
Percent Financed	Details to be determined		
Application and Other Fees			

Application Process

Interested customers should call PSNH's customer service number (800) 662-7764 to obtain more information on commercial and industrial audits and incentives.



Utilities- Vermont Central Vermont Public Service Corporation

Contact Person: Lynn Mack
Programs Coordinator/ Energy Services

Phone: (800) 649-2877

77 Grove St.
Rutland, VT 05701

Web Site: [http:// www.cvps.com](http://www.cvps.com)

Organization Description:

Central Vermont Public Service Corporation (CVPS) is an independent, investor-owned company providing energy and energy-related services to customers in nearly three-quarters of the towns, villages, and cities of Vermont. About half of the state's 567,000 residents receive service from CVPS, the largest of the state's 22 utilities. Through a subsidiary, Connecticut Valley Electric Company, Inc., 10,000 customers are served in 13 towns in New Hampshire.

Financing Resources Offered:

Rebates/Incentives

Rebate Services:

In past years, Central Vermont Public Service Corporation has offered rebates to customers for many types of energy efficiency equipment. They will continue to offer rebates in 1998.

Eligibility

Project Types	Currently Eligible	Previous Projects?
Pollution Control		
Pollution Prevention		
Energy Efficiency	X	X
Water Conservation		
Waste Management/Recycling		

Eligibility Criteria

All commercial, industrial, and agricultural customers are eligible to receive rebates. Rebates are available for lighting measures, motors, cooler economizers, and other customized projects.



Guidelines

Parameter	Minimum	Maximum	Average
Rebate Size			
Percent Financed	Contact Utility for Details.		
Application and Other Fees			

Application Process

Customers wishing to apply for a rebate should first contact CVPS for information. CVPS will send the customer an up-to-date list of electricians who are participating in the rebate program. The customer can choose from this list, or they can choose to work with another electrician. In order to receive a rebate, participating customers must submit invoices for work on the eligible measures installed.



Contact Person: Peter Fairbanks
President

Phone: (781) 356-8865

Fax: (781) 356-8864

871 Washington St.
Braintree, MA 02184

Web Site:
<http://www.bluestoneenergy.com>

Organization Description:

Bluestone Energy Services has been in operation for over seven years identifying and developing cost effective energy efficiency products for utility, industrial, and commercial clients. They provide HVAC and process system diagnostic analysis and remedial design services that conserve energy. Bluestone offers all project development services from conception and design through financing, implementation, and start-up.

Financing Resources Offered:

Performance Contracting

Performance Contracting Services:

Bluestone offers performance contracting services to clients who do not have the up-front funds to pay for business improvement projects. Once project parameters are identified (measures to be installed, costs, etc.), Bluestone arranges financing with a financing institution. The bulk of their projects are for energy conservation, but they will address any problems host facilities need to be solved. In 1996, Bluestone arranged 4 or 5 performance contracts with a total value between \$500,000-700,000. In 1997, they expected to arrange about \$800,000 worth of performance contracts.



Eligibility

Project Types	Currently Eligible	Previous Projects?
Pollution Control	X	X
Pollution Prevention	X	
Energy Efficiency	X	X
Water Conservation	X	X
Waste Management/Recycling	X	

Eligibility Criteria

Firms throughout New England can obtain performance contracting services from Bluestone.

Guidelines

Parameter	Minimum	Maximum	Average
Contract Size	~\$25,000	No maximum	~\$300,000
Interest Rate	Dependent on other project parameters		
Percent Financed	100%		
Contract Length		10 years	5-10 years
Repayment Schedule	Monthly		
Application and Other Fees	No fees		

There is no limit as to the size of a project Bluestone will finance with a performance contract. Bluestone generally finances projects over \$25,000, but they have financed projects as small as \$1,000. The full project cost can be financed through the performance contract, however, a portion of the costs are often directly paid by a utility subsidy. In these cases, the total remaining costs are financed through the contract. Contracts typically last 5-10 years. Interest rates are dependent on the size of the contract, the amount of savings due to the project, and the length of the project. Maintenance and/or operation of the installed equipment can be provided at the client's request. Ownership of the installed equipment passes to the customer at the end of the performance contract when they have fully paid off the contract.

Application Process

Businesses interested in performance contracting should contact Bluestone to arrange a facility assessment. Based on their findings, Bluestone will identify areas of improvement and propose a project. The proposal will define measures to be installed, costs of the measures, and project savings (e.g., energy, water, or pollution savings).



Energy Service Companies- New England Bluestone Energy Services, Inc.

Once a project is accepted by the customer, Bluestone contacts a financial institution and arranges the financing for the customer. The customer pays the financier directly. Typical information required by the lender includes three years of financial statements, personal financial statements, and business plans. Bluestone will guarantee the project savings at the client's request. A fee for the guarantee service is required only if the extent of the metering and monitoring process to verify savings is elaborate.



Energy Service Companies- New England CES/Way International

Contact Person: Andrew Glace
Vice President

Phone: Toll Free (888) 584-9439
or (617) 577-7444
Fax: (617) 577-0202

139 Main St.
Cambridge, MA 02142

Web Site: <http://www.cesway.com>

Organization Description:

CES/Way International, one of the largest independent Energy Service Companies in the U.S., was founded in 1916 and is affiliated with the Houston-based Way Companies. CES/Way develops, designs, constructs, and finances capital renewal projects that pay for themselves entirely from energy savings.

Financing Resources Offered:

Performance Contracting

Performance Contracting Services:

CES/Way offers both guaranteed and shared savings performance contracting agreements. Contracts are designed such that no payments are required until after the installed measures start generating savings. As a part of all contracts, CES/Way will identify and obtain any rebates the customer is eligible to receive (e.g., rebates offered by utility companies for energy efficient measures). They also offer to lease other equipment (not associated with the contract project) to any of their customers in New England. CES/Way undertook 3 new performance contract projects in 1996, totaling \$7.5 million. They expected to have projects in New England totaling more than \$17 million in 1997.



Eligibility

Project Types	Currently Eligible	Previous Projects?
Pollution Control	X	X
Pollution Prevention	X	X
Energy Efficiency	X	X
Water Conservation	X	X
Waste Management/Recycling	X	X

Eligibility Criteria

CES/Way will work with any company, profit or non-profit, that has annual energy bills of at least \$0.5 million. Most of their projects are energy retrofits and water conservation, but they have conducted pollution prevention and control projects in the past and are open to any project a customer proposes.

Guidelines

Parameter	Minimum	Maximum	Average
Contract Size	\$500,000	No maximum	\$1-20 million
Interest Rate	4.5-6.5% (tax-exempt projects) 9-12% (taxable projects)		
Percent Financed	100%		
Contract Term			10 years
Repayment schedule	Monthly or quarterly		
Application and Other Fees	\$0.10/ft ² - cost of audit		

CES/Way prefers to award contracts for projects over \$1 million, but they will offer contracting for projects as low as \$500,000. Non-profit organizations and public sector organizations are legally allowed to finance a certain amount of projects as tax-exempt. Each project is financed at either 4.5-6.5% (tax-exempt projects) or 9-12% (taxable projects). The customer repays the cost of the project by giving CES/Way (or the financier) a percentage of the savings that result from the energy savings measures.

Under a shared savings agreement, CES/Way pays the initial investment cost. Once savings start to accrue, the customer pays CES/Way a variable percentage of the savings. The customer keeps the remaining savings.

Under a guaranteed savings agreement, CES/Way arranges financing with a third-party financier. Once savings start to accrue, a certain, variable portion goes directly to the



financier. The remaining savings are then split (usually equally) between CES/Way and the customer. The savings are guaranteed in the sense that if savings do not cover the cost of the equipment, CES/Way will write a check to the financier to cover the difference.

There are three possible structures for project financing: the customer can find their own financier (including internal project financing); CES/Way can finance a project; or CES/Way can arrange financing with a third-party. CES/Way strives to find the most appropriate and least expensive financing for every project. If the customer requests, savings can be guaranteed under any of the financing arrangements. If no savings result from installed measures, the participating company makes no payments.

Ownership of the installed equipment passes to the customer at the start of the project. Maintenance of the equipment is required, but the customer can choose between CES/Way or their own provider for maintenance service.

Application Process

Interested businesses should call CES/Way to schedule an initial audit to identify potential projects. In order to perform the audit, CES/Way requires access to the site and a history of the company's energy use (this can be a collection of past energy bills). The cost of the audit is \$0.10/ft². If no feasible project is found, there is no cost for the audit. If projects are identified, and the customer opts to not go through with any of them, they must pay the audit fee at that time. If the customer decides to go forward with some or all of the projects the audit fee is rolled into the total amount financed. Payments start only after savings begin to accrue. If no projects are identified during the audit, no fee is charged.

After the audit is performed, a contract is constructed around the measures the company elects to have installed. At this time, CES/Way requests the last three years' financial statements from the company. No payments are made until the equipment is fully installed and generating savings.



Energy Service Companies- New England Coneco Corporation

Contact Person: Jerry Drummond
Regional Vice-President for New
England

Phone: (617) 737-6010 or (800) 738-6010

Fax: (617) 737-6099

280 Summer St.
Boston, MA 02210

Web Site:
<http://www.ultranet.com/~energy>

Organization Description:

Coneco Corporation is a multi-national energy service company which focuses on energy improvement projects. These can include energy efficient technologies, as well as water conservation techniques.

Financing Resources Offered:

Performance Contracting

Performance Contracting Services:

Coneco offers two types of performance contracting to customers -- equipment lease purchase and shared savings. They awarded approximately twelve contracts in 1996, totaling close to \$20 million, and expect to award approximately 15 contracts in 1997, totaling close to \$25 million.

Eligibility

Project Types	Currently Eligible	Previous Projects?
Pollution Control		
Pollution Prevention		
Energy Efficiency	X	X
Water Conservation	X	X
Waste Management/Recycling		

Eligibility Criteria

All New England firms are eligible for performance contracting services for energy efficient and water conservation measures.



Guidelines

Parameter	Minimum	Maximum	Average
Contract Size	No minimum	No maximum	\$2 million
Interest Rate	10%		
Percent Financed			100%
Contract Term		No maximum	5-10 years
Repayment schedule	Monthly		
Application and Other Fees	Optional maintenance fee		

There is no minimum or maximum project size that Coneco will finance, although they prefer projects over \$100,000. There is no maximum contract term, yet very few customers finance for more than 10 years. In the lease purchase option, the customer has a direct relationship with the financier. In the shared savings option, the customer pays Coneco. Maintenance of the installed equipment is required, but customers can opt to have an outside vendor perform maintenance. If the customer requests Coneco to maintain the equipment, a fee is added to the customer's project costs.

Under the lease financing option, the customer receives all of the savings achieved by the installed equipment. The customer pays the financier fixed monthly payments. Savings are guaranteed to be greater than costs, else at the end of each year, Coneco will pay the customer the amount that costs exceeded savings. Ownership of the equipment passes to the customer at the start of the project.

Under the shared savings agreement, the customer pays Coneco a portion of the savings they accrue from the installed equipment. There are no upfront costs. Once the savings begin, Coneco performs monthly energy audits to determine savings. Ownership of the equipment passes to the customer once they have fully paid off the costs.

Application Process

Interested firms should contact Coneco. A Coneco representative will meet firm executives to ascertain the company's needs. Coneco and the customer mutually decide if there are any cost effective measures that make proceeding worthwhile. If they decide to continue, Coneco performs a preliminary survey and requests all utility bills from the preceding 2 years along with the last two years of financial statements and any quarterly statements from that year. Coneco sends the customer a preliminary proposal and asks the customer to sign a letter of intent. The final proposal is guaranteed to be accurate within 15% of the preliminary proposal.



Energy Service Companies- New England The Energy Efficiency Group

Contact Person: Jeff Kuller
Owner

Phone: (978) 922-0578

Fax: (978) 927-7914

920 Hale St.
Beverly, MA 01915

Organization Description:

The Energy Efficiency Group is a small energy service company specializing in work with small to medium sized businesses. As an authorized dealer for Energy Automation Systems, Inc., The Energy Efficiency Group installs customized, electrical energy conservation systems containing patented devices that generally save commercial and industrial customers 10-20% on their electricity bills.

Financing Resources Offered:

Equipment Leasing

Equipment Leasing Services:

The Energy Efficiency Group, along with two national leasing organizations, offers equipment leasing for its electrical energy conservation work. This customized energy conservation system is comprised of a variety of equipment including: energy saving lighting controllers; capacitors to correct power factor on induction loads (e.g., motors, compressors); and a super lubricant oil for refrigeration oils. The system is passive, requiring no employee operation, routine maintenance, or monitoring. A one-year warranty is offered on the system. Business owners may lease or purchase the system. So far, all businesses installing the system have elected to purchase the equipment. If a customer chooses the leasing option, the payment and leasing term are designed so that monthly payments are lower than the projected savings, in order to generate a positive cash flow for the customer.

Once equipment is installed, the customer makes monthly payments for the equipment directly to the leasing company. Occasionally the leasing company requires one or two months initial down-payment depending on the customer's credit history.



Energy Service Companies- New England The Energy Efficiency Group

Eligibility

Project Types	Currently Eligible	Previous Projects?
Pollution Control		
Pollution Prevention		
Energy Efficiency	X	X
Water Conservation		
Waste Management/Recycling		

Eligibility Criteria

The Energy Efficiency Group specializes in working with small and medium sized businesses, but they will work with any firm in New England.

Guidelines

Parameter	Minimum	Maximum
Lease Size	~\$5,000	No maximum
Lease Term	1 year	5 years
Interest Rate	13-20%	
Repayment Schedule	Monthly	
Application and Other Fees	No fees	

Application Process

Firms should call The Energy Efficiency Group to obtain more information on the energy conservation system and schedule a meeting. If, after meeting with The Energy Efficiency Group and reviewing their materials, a potential client decides they want to proceed, The Energy Efficiency Group will provide leasing information from their national leasing partner organizations. There is a one page leasing service application, which requires standard information such as financial statements and the specifications of the installed equipment. Approval of the leasing application usually takes less than one week. After the system is installed, the customer is asked to sign an equipment installation verification form.



Energy Service Companies- New England ERI Services

Contact Person: David I. Rowland
Senior Vice-President

Phone: (215) 887-7100

Fax: (215) 887-1468

8380 Old York Rd., Suite 100
Elkins Park, PA 19027

Web Site:
<http://www.eriservices.com>
OR

<http://www.waterwiser.org/displays/pequod.html>

Organization Description:

ERI Services is a national organization that specializes in customized, integrated energy and water systems solutions to industrial, governmental, and commercial clients. They provide customers with energy procurement services, performance-based efficiency upgrades, independent power production, and facilities management services.

Financing Resources Offered:

Performance Contracting

Performance Contracting Services:

ERI Services offers performance contracting to firms nationwide. In 1996, ERI was awarded approximately 25 performance contracts.

Eligibility

Project Types	Currently Eligible	Previous Projects?
Pollution Control		
Pollution Prevention		
Energy Efficiency	X	X
Water Conservation	X	X
Waste Management/Recycling		

Eligibility Criteria

All New England firms are eligible for performance contracting through ERI for energy efficiency and water conservation projects.



Guidelines

Parameter	Minimum	Maximum	Average
Contract Size	\$200,000	No maximum	\$1-2 million
Interest Rate	50-400 basis points above prime		
Percent Financed			100%
Contract Term			5-10 years
Repayment schedule	Monthly		
Application and Other Fees	No fees		

Application Process

Interested businesses should call ERI Services to obtain information on scheduling a meeting to discuss their site and to learn about using performance contracting to make projects happen. The financing is handled as a component of the performance contract. The customer typically pays ERI fixed, monthly installments. ERI will guarantee a certain threshold of savings. (The threshold is not necessarily equal to the customer costs of the contract.) If savings fall below this threshold, ERI will rebate the difference to the customer.



Energy Service Companies- New England HEC Inc.

Contact Person: Maureen O'Donnell
Contract Administrator

Phone: (800) 325-4432

Fax: (508) 653-0266

24 Prime Parkway
Natick, MA 01760

Web Site: <http://www.hecenergy.com>

Organization Description:

HEC Inc. is an energy services subsidiary of Northeast Utilities. HEC specializes in the design, implementation, evaluation, and financing of energy efficiency projects for utilities and major energy consumers. HEC has designed and installed over \$150 million worth of energy efficiency and other capital improvements to commercial, industrial, government, and institutional facilities.

Financing Resources Offered:

Performance Contracting

Performance Contracting Services:

HEC Inc. offers performance contracting services with guaranteed savings for energy efficiency and water conservation projects. They have recently begun to offer contracts for waste water treatment and medical waste management projects.

Eligibility

Project Types	Currently Eligible	Previous Projects?
Pollution Control		
Pollution Prevention		
Energy Efficiency	X	X
Water Conservation	X	X
Waste Management/Recycling	X	X

Eligibility Criteria

HEC will work with all New England businesses.



Guidelines

Parameter	Minimum	Maximum	Average
Contract Size	No defined minimum	No maximum	\$1-3 million
Contract Term		25 years	10 years
Application and Other Fees	Optional maintenance fee- variable		

HEC has no defined minimum contract size, but they prefer to do projects that are at least \$500,000. Rates and terms are determined by the financier. The customer has a direct relationship with the financier. The customer owns the equipment at the start of the project. Savings are guaranteed by HEC to cover the customer's financing payments.

Application Process

Interested businesses should call HEC to schedule an audit. HEC will draw up a proposal with recommendations of measures to install and their costs. Businesses can also submit their own proposals. HEC can help to arrange financing with a third-party financier, or the customer can arrange its own financing. Typical information required by financing companies includes past financial statements, a business plan, and credit references. Maintenance of the installed equipment is required for guaranteed savings. For a variable fee, HEC can provide maintenance, or the customer can provide its own maintenance.



Energy Service Companies- New England Honeywell DMC Services Inc.

Contact Person: Patrick Haswell
Northeast Commercial Services Manager

Phone: (781) 933-9558

Fax: (781) 937-3046

299 Washington St.
Woburn, MA 01801

Organization Description:

Honeywell DMC Services Inc. is a national company providing integrated energy management, communications, automation technologies, and water solutions to homes and businesses.

Financing Resources Offered:

Equipment Leasing

Equipment Leasing Services:

Honeywell DMC arranges equipment leasing with a third-party financier for businesses wishing to install energy efficient and water conservation measures. Honeywell expects to award 50 to 60 leases in New England by the end of 1997, totaling approximately \$2.5 million.

Eligibility

Project Types	Currently Eligible	Previous Projects?
Pollution Control		
Pollution Prevention		
Energy Efficiency	X	X
Water Conservation	X	X
Waste Management/Recycling		

Eligibility Criteria

Honeywell offers equipment leasing to all New England firms.



Energy Service Companies- New England Honeywell DMC Services Inc.

Guidelines

Parameter	Minimum	Maximum	Average
Lease Size	No minimum	No maximum	\$40-50,000
Interest Rate	Variable		
Lease Term	No minimum	No maximum	3 years
Repayment Schedule	Monthly or quarterly		
Application and Other Fees	No fees		

There is no minimum or maximum size for equipment leases. Past leases have ranged from \$2,000 to over \$100,000. Payments are typically made in fixed, monthly installments. Maintenance and operation of the installed equipment is always provided. The customer owns the equipment at the end of the lease.

Application Process

Interested firms call Honeywell to obtain an application. The application requires information on firm demographics, the equipment being leased, and background information on the firm so the financing company can run a credit check. Honeywell submits the application to the financing company and makes sure that it is processed in a timely fashion. The leasing company offers the customer a choice of terms and rates, based on the customer's creditworthiness.



Private Lending Institutions- Regional Vermont National Bank / First Savings of New Hampshire

Contact Persons:

Arne Hammarlund, VNB/FSNH Commercial Loan Officer	100 Main St. Brattleboro, VT 05301	Phone: (802) 258-4090
Kristy Wildes, VNB Commercial Loan Officer	150 Bank St. Burlington, VT 05401	Phone: (802) 863-8900 Fax: (802) 863-8933
Bruce Lundgren, FSNH Commercial Loan Officer	53 Lincoln St. Exeter, NH 03833	Phone: (603) 778-7131
Web Site: http://www.vnb.com		

Organization Description:

Vermont National Bank (VNB) and First Savings of New Hampshire (FSNH) provide full service banking to communities in Vermont and Southeastern New Hampshire. Clients include individuals, businesses, institutions, and government entities, with a special focus on small depositors and community lending.

Financing Resources Offered:

Loans

Socially Responsible Banking Fund

Loan Services: Socially Responsible Banking Fund

The Socially Responsible Banking Fund (SRB) was created in 1989 to link the deposits of socially concerned depositors with community borrowers engaged in socially beneficial projects. Depositors specify that a portion of their funds should be lent through SRB rather than the standard lending program. SRB funds are lent to companies and non-profits that “make positive contributions to the environment, their communities, and their employees.” The SRB focuses on lending in five areas: environment and conservation, education, sustainable agriculture (mostly organic farming), small business, and affordable housing.

As of October 1997, 21 environmental loans were on the books, with a total value of \$1.35 million. There were also 50 agricultural loans totaling \$3.2 million.

Eligibility

Project Types	Currently Eligible	Previous Projects?
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Private Lending Institutions- Regional Vermont National Bank / First Savings of New Hampshire

Pollution Control	X	
Pollution Prevention	X	
Energy Efficiency	X	X
Water Conservation	X	X
Waste Management/Recycling	X	X

Eligibility Criteria

SRB loans are available to applicants in Vermont, Southeastern New Hampshire and neighboring areas of Maine, Massachusetts, New Hampshire, and New York. Criteria considered for loan approval include an applicant's cash flow, collateral, debt ratio, and community benefits. The criteria for socially responsible loans are somewhat more flexible than for standard commercial loans with regard to cash flow, credit history, and collateral. VNB/FSNH seeks to avoid being exposed to Superfund liability. Types of loan security accepted include the underlying assets or other business assets.

Guidelines

Parameter	Minimum	Maximum	Average
Loan Size	\$1,000	\$8,000,000	\$80,000
Interest Rate	Prime	Prime + 3%	Prime + 1.2%
Percent Financed	No minimum	95%	85%
Loan Term	5–10 years for equipment, 20 years for real estate		
Repayment schedule	Monthly payments Real estate loans may have a balloon payment		
Fee and Closing Costs	Depends on the complexity and structure of the loan There is usually a \$100 documentation fee		

SRB loans are similar to typical commercial loans in most regards, though high impact community projects may qualify for flexible lending (e.g., with regard to interest rate, repayment schedule, or collateral). The loan cannot exceed 95% of the value of the collateral or 95% of the cost of the project. Most SRB loans will have monthly payments with the principal and interest amortized over the term of the loan. However, some loans, particularly for real estate, may have a balloon payment at the end of the loan. Closing costs depend on the complexity and structure of the loan. Borrowers may negotiate a one-time fee in exchange for a reduced interest rate. In most cases, there is at least a \$100 documentation fee.



Application Process

The information required on the application includes financial statements (3 years), financial projections (1 year), and personal financials on the business owners. VNB will work closely with applicants to craft customized loan packages, and may refer borrowers to additional financing sources. Applicants may apply at any time, and most applicants can expect a decision within a week.



**Private Lending Institutions- Massachusetts
Massachusetts Business Development Corporation
Massachusetts Certified Development Corporation**

Contact Person: Peter Hollingworth
Vice President

Phone: (617) 350-8877
Fax: (617) 350-0052

50 Milk St.
Boston, MA 02109

Organization Description:

Massachusetts Business Development Corporation (MassBusiness), a private corporation, was created in 1953 to invest in small and medium sized businesses in Massachusetts. More recently, it has begun to focus on community-based and inner city lending as well. It offers a number of financing services, and administers several financing programs on behalf of the State of Massachusetts. Massachusetts Certified Development Corporation (MassCertified) is an affiliate of MassBusiness that administers U.S. Small Business Administration programs and other programs in Massachusetts.

Financing Resources Offered:

Loans

Direct Loans

Small Business Administration 504 Loans

Financing Enhancements

Capital Access Program

Loan Services: Direct Loans

The Direct Loan program provides loans in situations in which traditional bank loans may be unavailable, inappropriate, or insufficient. Direct Loans may include a U.S. Small Business Administration loan guarantee, administered through MassCertified. In 1996, 60 loans were made with a total value of \$30 million. In 1997, MassBusiness projects to make 50 loans with a total value of \$25 million. A similar amount is available for lending in 1998.



**Private Lending Institutions- Massachusetts
Massachusetts Business Development Corporation
Massachusetts Certified Development Corporation**

Eligibility

Project Types	Currently Eligible	Previous Projects?
Pollution Control	X	
Pollution Prevention	X	
Energy Efficiency	X	
Water Conservation	X	
Waste Management/Recycling	X	

Eligibility Criteria

As a private corporation, MassBusiness lends in order to earn a profit. Any organization that qualifies for a loan under the due diligence process is eligible for a direct loan. However, MassBusiness is willing to accept more risks than a typical bank. Eligible projects include working capital, machinery and equipment, and real estate. Projects with environmental benefits are treated similarly to other projects.

Guidelines

Parameter	Minimum	Maximum	Average
Loan Size	\$250,000	\$1 million	\$500,000
Interest Rate	Varies		Prime + 2.5
Percent Financed	No minimum	100%	
Loan Term	2 years	10 years 20-25 for real estate	7 years
Repayment schedule	Monthly payments		
Fee and Closing Costs	Application fee of 1% of the loan value Application fee can be credited to the first monthly payment No points		

Application Process

Information required on the application includes: a business plan or narrative description of the business; a description of the project for which the funds will be used; three years of financial statements; profit/loss and cash flow projections; accounts receivable, accounts payable, and inventory records; appraisals of fixed assets; and personal financial statements and resumes of the business owners. Applicants may apply at any time. The process of applying for financing is highly interactive. MassBusiness offers assistance in selecting an appropriate financing program, and works closely with applicants to prepare an application. Once the applicant accepts MassBusiness' proposed financing program, the formal "due diligence" process begins. MassBusiness presents a tentative closing schedule up front, and then uses the application information to make a decision. Once the Executive



**Private Lending Institutions- Massachusetts
Massachusetts Business Development Corporation
Massachusetts Certified Development Corporation**

Committee approves the loan, MassBusiness issues a detailed commitment letter to begin the closing process. (The procedure may vary if third party financing is involved.) The length of the closing process will vary with the ability of the borrower to provide complete and timely information.

Loan Services: Small Business Administration 504 Loans

MassCertified administers the U.S. Small Business Administration's 504 Loan program in Massachusetts. The goal of the program is to stimulate and develop small businesses in Massachusetts.

Eligibility

Project Types	Currently Eligible	Previous Projects?
Pollution Control	X	
Pollution Prevention	X	
Energy Efficiency	X	
Water Conservation	X	
Waste Management/Recycling	X	

Eligibility Criteria

For-profit businesses in Massachusetts with net worth less than \$6 million and with average annual net profit of less than \$2 million over the last two fiscal years are eligible for SBA 504 loans. Appropriate projects include land and building purchases, new construction or renovation, and machinery and equipment purchases. Projects with environmental benefits are treated similarly to other projects.

Guidelines

Parameter	Minimum	Maximum	Average
Loan Size	\$250,000	\$1.2 million	
Interest Rate	Approximately 1% higher than the rate on U.S. Treasury Bonds with maturity similar to the term of the loan Fixed at the time of closing		
Percent Financed	No minimum	40%	40%
Loan Term	Fixed terms of 10 years for equipment and 20 years for real estate		
Repayment schedule	Monthly payments		
Fee and Closing Costs			



**Private Lending Institutions- Massachusetts
Massachusetts Business Development Corporation
Massachusetts Certified Development Corporation**

SBA 504 loans finance up to 40% of a project to supplement a bank loan financing 50% of the project. The borrower must provide an equity stake of at least 10%. SBA 504 loans can be combined with MassBusiness Direct Loans. Appropriate projects range from \$500,000 to \$3 million.

Application Process

Information required on the application includes: a business plan or narrative description of the business; a description of the project for which the funds will be used; three years of financial statements; profit/loss and cash flow projections; accounts receivable, accounts payable, and inventory records; appraisals of fixed assets; and personal financial statements and resumes of the business owners. Applicants may apply at any time. MassBusiness will refer eligible applicants to MassCertified.

The process of applying for financing is highly interactive. MassBusiness offers assistance in selecting an appropriate financing program, and works closely with applicants to prepare an application. Once the applicant accepts MassBusiness' proposed financing program, the formal "due diligence" process begins. MassBusiness presents a tentative closing schedule up front, and then uses the application information to make a decision. Once the Executive Committee approves the loan, MassBusiness issues a detailed commitment letter to begin the closing process. (The procedure may vary if third party financing is involved.) Loans are approved in 30 days or less if the applicant's documentation is complete.

Financing Enhancement Services: Capital Access Program

The Capital Access Program (CAP) is designed to assist small business in gaining access to financing. Over 100 Massachusetts banks, comprising over 98% of all commercial lending, participate in the program. Administered by MassBusiness on behalf of the state of Massachusetts, CAP guarantees a portfolio of loans at each bank rather than individual loans. In 1996, CAP guaranteed about 400 loans with a total value of approximately \$25 million. The state of Massachusetts has allocated \$5 million to CAP, which MassBusiness expects will allow up to \$100 million of loans to be insured.

Eligibility

Project Types	Currently Eligible	Previous Projects?
Pollution Control	X	
Pollution Prevention	X	
Energy Efficiency	X	
Water Conservation	X	



Private Lending Institutions- Massachusetts
Massachusetts Business Development Corporation
Massachusetts Certified Development Corporation

Waste Management/Recycling	X	
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Eligibility Criteria

For-profit organizations in Massachusetts with less than \$5 million in annual revenues are eligible. Almost any type bank loan in Massachusetts is eligible, including lines of credit. The loan must be for a business purpose in Massachusetts, except that passive real estate investments are not eligible. The participating bank determines whether credit enhancement is necessary.

Guidelines

Parameter	Minimum	Maximum	Average
Loan Guarantee Size	No minimum	\$500,000	
Percent Guaranteed	No minimum	100%	
Length of Loan Guarantee	No minimum	No maximum	
Application Fee and Closing Costs	Insurance fee of 1.5% to 3.5% of the value of the loan Bank pays a matching fee, but may pass costs on to the borrower		
Annual Fee	None		

CAP insures the bank's portfolio of eligible CAP loans, not individual loans. When adding a loan to the CAP portfolio, both bank and borrower pay a fee of from 1.5% to 3.5% of the value of the loan. The fees are deposited in a reserve fund used to insure the bank against CAP loan losses. MassBusiness matches the sum of the bank and borrower fees. The bank may recover the cost of its fees from its borrowers by charging additional fees, setting a higher interest rate, or through other mechanisms. For example, the bank may determine that the borrower's fee will be 2%, and the matching bank fee of an additional 2% will be passed on to the borrower through a loan fee. Thus the borrower's fees total 4% of the value of the loan. MassBusiness contributes an additional 4% to the reserve fund, so that the total contribution to the reserve fund is 8% of the value of the loan.

The bank is insured for up to the full value of each loan until its CAP reserve fund is entirely depleted. However, the bank may elect to insure only a portion of any loan.

Application Process

Applicants apply for a commercial bank loan or line of credit through one of the more than 100 participating Massachusetts banks. If the bank determines that credit enhancement is necessary, it negotiates fees and conditions with the borrower. Once the loan is closed, the bank contributes the fees to the reserve fund and notifies MassBusiness. MassBusiness



**Private Lending Institutions- Massachusetts
Massachusetts Business Development Corporation
Massachusetts Certified Development Corporation**

then contributes its matching share to the reserve fund. There is no additional paperwork for the borrower, and no need for the borrower to contact MassBusiness.



Private Lending Institutions- Vermont Merchants Bank

Contact Person: Ask for a Commercial
Loan Officer

Phone: 800-322-5222

Fax: 802-865-1891

275 Kennedy Dr.
South Burlington, VT 05403

Web Site:
<http://www.merchantsbankvt.com>

Organization Description:

Merchants Bank is an independent private bank serving depositors and borrowers in Vermont. Headquartered in Burlington, Merchants Bank has 34 offices located throughout the state.

Financing Resources Offered:

Loans

Loan Services:

Merchants Bank offers a wide array of business loan services, including loans to creditworthy borrowers for environmental projects. In the 1997 fiscal year, 5 environmental loans were approved, with a total value of \$400,000. Loan guidelines vary with the type of loan, how the funds will be used, and the business relationship between Merchants Bank and the borrower.

Eligibility

Project Types	Currently Eligible	Previous Projects?
Pollution Control	X	X
Pollution Prevention	X	
Energy Efficiency	X	X
Water Conservation	X	
Waste Management/Recycling	X	X

Eligibility Criteria

Loans are available to business applicants in Vermont. Loan evaluation criteria considered include cash flow and collateral (equipment, real estate, or receivables and inventory are acceptable). Loans cannot be provided for site remediation and other projects that might expose the bank to Superfund liability. Eligibility decisions are made on a case-by-case basis. Types of loan security accepted include collateral and personal guarantees.



Private Lending Institutions- Vermont Merchants Bank

Guidelines

Parameter	Minimum	Maximum	Average
Loan Size	\$25,000	\$5,000,000	\$100,000
Interest Rate	On a case by case basis		Prime + 1.5%
Percent Financed	No minimum	75%	75%
Loan Term	5 years	15 years	
Repayment schedule	Monthly payments		
Fee and Closing Costs	No fee except occasionally for construction projects Closing costs vary; they include appraisals and legal services		

There is generally no application fee, although the Small Business Administration charges a fee for its guaranteed loans, and Merchants Bank will occasionally apply a fee to complicated projects, such as construction projects. Closing costs to the borrower include appraisals, legal services, and other costs, and will vary with the complexity of the loan. Interest rates average Prime + 1.5%, but vary according to the length of the loan and the credit rating of the borrower.

Application Process

The information required on the application includes financial statements, financial projections, and project economics. Applicants may apply at any time. The time it takes to approve a loan vary with the complexity of the loan and Merchants Bank's familiarity with the borrower. However, each Commercial Banking Officer is empowered to make loan decisions independently, so some loans can be approved in less than a day. Prospective applicants may request assistance in filling out a loan application.

SECTION 4: PRIVATE SECTOR LOANS AND LEASING

In this section we provide additional advice for approaching private sector sources for E2 project financing. There are a large number of commercial banks throughout New England, many of whom we tried to contact for inclusion in the Resource Directory but whom did not respond. Therefore, in addition to the banks listed in Section 3, we are providing a section with generic advice on how to approach commercial banks. We also provide generic advice on seeking lease financing, which, in addition to being available from five sources listed in the Resource Directory, may be offered directly by equipment manufacturers and/or through their distributors. We conclude with advice on preparing business plans and integrated financial statements, both of which can be invaluable tools when seeking either commercial loans or lease financing.

Commercial Banks

Banks generally offer a range of business lending programs, and some of the larger banks, including those operating on an interstate basis, often have small business lending specialists and may have special small business loan applications.

Small and medium size companies should start with their local bank, with whom they have an ongoing relationship. For such businesses, banks have a strong preference for handling the range of a company's financing needs (lines of credit, mortgage, equipment finance, etc.) rather than a single loan. It makes it more worth their while to have a loan officer become familiar with the company, and enhances the probability of financing. Moreover, it is advisable for business owners and/or managers to become familiar and build a relationship with their bank loan officer well in advance of actually applying for a loan.

Although exceptions exist, including some of the private lending programs listed in Section 3 of the Resource Directory, most commercial banks do not distinguish financing opportunities by project type, e.g., energy efficiency or pollution control versus a regular equipment loan. Rather, the strength of a loan application is reviewed based on conventional considerations such as creditworthiness of the firm and generation of sufficient cash flow to make required loan payments.

Application requirements for fixed asset loans or lines of credit vary by bank, but most require at least the following:

- Completed loan application including type, amount and purpose of loan

- Source and value of collateral
- Repayment plan
- Business financial statements (3 years historical, if available) or tax returns
- Projected financial statements (balance sheet, income statement, cash flow projections for 1-3 years)
- Business and credit references
- Personal financial statement
- Other assets and liabilities

Borrowers should keep in mind that virtually all terms of a loan agreement are negotiable. It is therefore important to have the company's attorney review all loan documentation prior to final agreement. The company's attorney should not only be useful in helping to negotiate favorable terms, but should also ensure the terms of the loan are fully understood by management, and do not place undue constraints or burdens on the company.

Loan agreements typically include financial covenants that specify loan compliance and reporting requirements. For example, there may be limits placed on the overall debt to net worth ratio for the company, or the company's cash flow to debt service ratio, or others. As part of these covenants, the borrower is required to provide the bank with regular reports (sometimes called compliance certificates) demonstrating its adherence to these requirements. The extent of these covenants and the frequency of reporting requirements depends on the size of the loan and nature of the company's relationship with the bank. Typically, compliance reports are reviewed quarterly or annually, however in some cases monthly reporting may be required.

Lease Financing

Equipment leasing or lease/purchasing is another E2 project financing option companies may want to consider. A lease is a contract that allows companies to gain use of equipment in exchange for payments over time. The lessor provides the financing; the lessee acquires the equipment. Leasing is a flexible but complex financing tool.

A typical arrangement is the **finance lease**, sometimes called a capital lease, a conditional sales contract or an installment-purchase agreement. With a finance lease, 100 percent of the equipment/project cost is amortized (i.e., paid for, with interest) over the term of the lease. Title to the project equipment passes to the lessee, while the lessor retains a first

security interest in the equipment. The lease term varies but is typically three to seven years and in no cases can be longer than the useful life of the equipment.

Lease provisions may be stated in many different ways: with or without fees, with one or two advance payments or payments at the end of each period (i.e., payments "in arrears"), and with varying end-of-term purchase options or buyout charges. Because of the many options available and the complexity of leasing agreements, before making a commitment we suggest businesses consult their accountants to get assistance in evaluating their lease and purchase options and the financial implications of a lease's provisions.

A possible barrier to using lease financing for E2 projects is that some E2 equipment may have little collateral value. Such projects may contain a high proportion of installation, engineering and other "soft" costs and the equipment purchased may be affixed to buildings and other process equipment. For these reasons, the equipment may not be easily repossessed for resale at a price approaching its original acquisition costs.

The concern that E2 equipment lacks collateral value can be addressed, first, by demonstrating the company's creditworthiness and ability to meet lease payments, and, second, by outlining the economic rationale for the E2 project.

Leasing for an E2 project has direct financial consequences for the company. The cost/benefit information used in deciding to implement the project should be summarized and quantified for the prospective funding source. In some cases, the project's savings may be sufficient to offset lease payments, resulting in immediate positive cash flow for the company. Also, in some cases the lease term can be extended, thus reducing annual payments, so that the project's cost savings more closely match lease payments.

Standard Company and Project Financial Analysis Data Requirements for Commercial Loans and Lease Financing

Typical information that is requested from the company to demonstrate creditworthiness includes:

- Historical financial statements (balance sheet and income statement) for the last three years. Audited statements with appropriate footnotes are preferred; accountant-reviewed statements are second best and often adequate. The most recent interim, i.e., quarterly, management-prepared financial statements are helpful.
- Projected financial statements (balance sheet, income statement, cash flow statement) for 1-3 years. While some banks may be most

interested in cash flow projections, by providing a set of integrated financial projections a company can improve the credibility of the loan application. The company's accountant should prepare such financial statements.

- For small, closely held or young firms, particularly Sub-S corporations, partnerships and sole proprietorships, personal financial statements and/or tax returns of the owner(s) are often required. Personal guarantees from the business owners typically will be requested.
- Bank and trade credit references. References and payment histories on other loans or leases are very helpful.
- Additional background information on the business, including years in business, marketing literature describing business, services, or products, market position and future outlook, key customers (if sales are concentrated), location (for retail businesses), and name of the company officer who can be contacted for further credit review.

Often a **business plan** is required, especially for newly established companies, to help the lender understand the applicant's business needs. It is also a useful tool for management. The process of generating a business plan forces management to focus on all aspects of the business enterprise and allows a more objective perspective. Emphasis should be placed on those elements that are necessary for the success of the business. In addition to the history and an integrated set of projected financial statements, a business plan generally includes a brief overview of the type of business—including information on products, services, location, markets, management, amount of financing needed, and estimated annual sales—as well as current financial data (source of equity capital, financing requirements). Business plans also often contain resumes of principals, product brochures, and contracts, letters of intent, agreements and other information relating to the proposed project.

The integrated financial statements are particularly important to lenders:

- The **balance sheet** reports the financial position of a firm at a particular time (e.g., end of year) and includes information on the firm's economic resources (assets), economic obligations (liabilities) and the claims of owners and stockholders (equity). Lenders use the balance sheet to evaluate the liquidity and financial flexibility of the company. It also reflects the operating capabilities and the earning performance of the company.

- The **income statement** reflects the results of operations for a reported period and should contain the profit and loss items recognized during the period. The lender uses the income statement to measure profitability and estimate the sensitivity of income to operating and economic factors.
- The **cash flow** statement is derived from the balance sheet and income statement and indicates the amount and timing of both cash receipts and payments. Because lenders use this information to assess the company's ability to generate future cash inflows and pay debts, it is therefore an important tool for the bank's loan decision.

These three statements are used in combination to give an integrated picture of a company's financial well being.

Although lenders base the decision to approve a financing request primarily on a company's fiscal soundness, it is also important that the lender has a clear understanding of the business, its recent history and prospects, as well as the capabilities of its owners and senior managers. In the lenders' mind, it is important to have a client not only with a sound balance sheet, but also one who is responsible, knowledgeable, and organized, particularly regarding the firm's financing needs. These traits inspire confidence in the lender that the business is being responsibly managed and that the investment is in good hands. Together, the business plan and integrated financial statements present the requisite information.

APPENDIX A. ACCESSING THE ECO-EFFICIENCY FINANCING RESOURCE DIRECTORY ON THE WORLD WIDE WEB

An electronic version of The Eco-Efficiency Financing Resource Directory is available on the World Wide Web and can be accessed through the home page of the U.S. EPA Region 1 at <http://www.epa.gov/region1>. The electronic version of the Directory contains the Resource Locator, which can be used to conduct custom searches according to state, project type and service type. The Resource Locator can help users quickly identify the financing resources most closely matching their particular needs. The electronic Resource Directory also contains many direct electronic links to the web-sites of the listed organizations.

The electronic Directory has been tested with several web browsers, including Netscape 2.0 for Windows 3.1, Netscape 4.1 for Windows 95, America Online 3.0, and Internet Explorer for Windows 95.

THE ECO-EFFICIENCY FINANCING RESOURCE DIRECTORY HOME PAGE



APPENDIX B. GLOSSARY OF TERMS

Assets

The valuable resources, or properties and property rights owned by an individual or business enterprise.

Balance Sheet

An itemized statement which lists the total assets and the total liabilities of a given business to portray its net worth at a given moment in time.

Bond

Any interest-bearing or discounted government or corporate security that obligates the issuer to pay the bondholder a specified sum of money, usually at specific intervals, and to repay the principal amount of the loan at maturity. Bondholders have an IOU from the issuer, but no corporate ownership privileges, as stockholders do.

Cash Flow Statement

A financial report that indicates the amount and timing of both cash receipts and payments in the categories of operations, investments and financing.

Collateral

The asset pledged to a lender until a loan is repaid. If the borrower defaults, the lender has the legal right to seize the collateral and sell it to pay off the loan.

Construction Loan

A short-term real estate loan to finance building costs. The funds are disbursed as needed or in accordance with a prearranged plan, and the money is repaid on completion of the project, usually from the proceeds of a mortgage loan. The rate is normally higher than prime, and there is usually an origination fee. The effective yield on these loans tends to be high, and the lender has a security interest in the real property.

Demand Side Management

Demand side management (DSM) refers to energy efficiency and load management programs or activities, and more specifically those sponsored by electric and natural gas

utilities. DSM programs are usually regulated and are evaluated from a number of perspectives, including total resource costs, rate-payer, and program participant perspectives.

Eco-Efficiency

Eco-efficiency (E2) means continually reducing the material inputs -- chemicals, natural resources, energy, water -- while reducing air, water, and solid pollutants for each unit of production. E2 practices and technologies use fewer natural resources (thereby providing cost savings to firms) and reduce the generation of waste and pollution per unit of product or service delivered (thereby benefiting the environment). Thus, E2 may be viewed as the convergence of energy efficiency, water conservation, toxics use reduction, and solid waste reductions.

Energy Efficiency

Includes techniques to reduce energy consumption and/or instantaneous demand for electricity, natural gas, or other fuels. By reducing the energy needed to accomplish a task, energy efficiency helps reduce pollution associated with both the end-use consumption of fuel, and the pollution associated with the recovery and production of the energy resource, for example with emissions from coal-fired power generating stations.

Equity

The monetary value of a property or business which exceeds the claims and/or liens against it by others.

Finance Lease

A lease in which the service provided by the lessor to the lessee is limited to financing equipment. All other responsibilities related to the possession of the equipment, such as maintenance, insurance and taxes are borne by the lessee. A finance lease is usually noncancellable and is fully paid out (amortized) over its term.

Financial Statements

The principal means through which financial information is communicated to those outside an enterprise. Statements include the balance sheet, income statement, and statement of cash flows.

Financing Enhancements

Financing enhancements can be used to help projects qualify for financing. They can be included in the initial development of a financing plan, or after a project has fallen short in an initial project finance analysis. There are several basic methods used for enhancement, such as tax credits, tax abatements, interest rate subsidies, and loan guarantees.

Lease

A contract granting use of real estate, equipment or other fixed assets for a specified time in exchange for payment, usually in the form of rent. The owner of the leased property is called the lessor, the user the lessee.

Liquidity

A term used to describe the solvency of a business, which has special reference to the degree of readiness in which assets can be converted into cash without a loss. Also called cash position. If a firm's current assets cannot be converted into cash to meet current liabilities, the firm is said to be illiquid.

Net Worth

The owner's equity in a given business represented by the excess of the total assets over the total amounts owing to outside creditors (total liabilities) at a given moment in time. Also, the net worth of an individual as determined by deducting the amount of all his or her personal liabilities from the total value of his or her personal assets.

Operating Lease

A type of lease, normally involving equipment, whereby the contract is written for considerably less than the life of the equipment and the lessor handles all maintenance and servicing; also called the service lease. Operating leases are the opposite of capital leases where the lessee acquires essentially all the economic benefits and risks of ownership. These leases are typically cancelable.

Performance Contracting

Performance Contracting includes a range of financing arrangements whereby the cost of implementing efficiency measure(s) is recovered by the savings created by the measure(s). Performance contracting has most commonly been applied to energy efficiency projects, although there is growing interest in applying the same concepts to other resource

efficiency investments and procurement. Monitoring and verification of an installed measure's performance are critical to all types of performance contracts. One common form of performance contract, Guaranteed Savings, is arranged so that a customer has a direct financial obligation to the financier, and the contract provider guarantees a level of savings estimated to be adequate to cover the customer's financial obligation. In other forms of performance contracting, such as Shared Savings, Pay from Savings, or Chauffage, the performance contractor provides financing directly to the customer. The latter arrangements provide the customer with more comprehensive services, and therefore are generally more costly to provide.

Pollution Control

Includes treatment, stack scrubbing, and other techniques that mitigate the dangers of pollution that has already been created. Pollution control techniques typically remove pollution from one medium (e.g., air emissions or wastewater) to another medium (e.g., hazardous waste landfills).

Pollution Prevention

Includes source reduction, input substitution, process improvement, and other techniques that prevent pollution from being created. Includes recycling that is an integral part of the process, e.g., recycling that pipes recycled materials back into the process as inputs. Does not include out-of-process recycling. Contrast with pollution control, which handles pollution that has already been created.

Project Financial Analysis

Costing (i.e. calculating the costs and savings) and calculating cash flow and/or profitability measures of a project.

Recycling

Involves using a byproduct (or a fraction of a byproduct) from a process as an input, either into the same process or another process. Recycling that is directly attached to the process and returns recycled materials back into the process is termed “in-process recycling,” and falls under the category of pollution prevention. Out-of-process recycling is not pollution prevention, but it is usually environmentally preferable to pollution control or waste management.

Some programs in the Resource Directory are specifically focused on recycling projects. The program-specific definition of eligible recycling projects may vary, so check with the program contact to see if your project is eligible.

Toxics Use Reduction

Includes source reduction, input substitution, and other techniques that reduce the need for toxic substances in production. Similar to pollution prevention, except that it focuses on reducing toxic substances used as inputs, rather than on reducing harmful byproduct outputs.

Waste Management

Includes landfilling, incineration, and other techniques to permanently store or destroy pollution.

Water Conservation

Includes techniques that reduce water use or improve water use efficiency.

Working Capital, Net

The excess of current assets over current liabilities. These excess current assets are available for carrying on business operations.

